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COMMONWEALTH OF PENNSYLVANIA 2010 NOV -1 PM 3: 29  
DEPARTMENT OF BANKING

PA DEPT OF BANKING

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COMMONWEALTH OF PENNSYLVANIA	:
DEPARTMENT OF BANKING, BUREAU	:
OF COMPLIANCE, INVESTIGATION AND	:
LICENSING	: Docket No.: 10 <u>0261</u> (ENF-C&D)
	:
v.	:
	:
CAMBRIDGE MERCANTILE	:
CORPORATION (U.S.A)	:

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**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking (“Department”), Bureau of Compliance, Investigation and Licensing (“Bureau”) has reviewed a money transmitter license application submitted by Cambridge Mercantile Corporation (U.S.A.) (“Cambridge”) and its officers, employees and directors. Based on the results of its review, the Department has found that Cambridge violated the act popularly known as the Money Transmitter Act, 7 P.S. §6101 *et seq.* (“MTA”). The parties to the above-captioned matter, in lieu of litigation and for purposes of settlement, hereby stipulate that the following statements are true and correct, and intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order (“Order”).

**BACKGROUND**

1. The Department is the Pennsylvania administrative agency authorized and empowered to administer and enforce the MTA.
2. The Bureau is primarily responsible for administering and enforcing the MTA for the Department.

3. Cambridge's principal place of business is 902 Carnegie Center Suite 340, Princeton, New Jersey 08540-6530.

4. Cambridge operates in the business of facilitating the making and receiving of foreign currency payments on behalf of corporate and commercial customers.

5. Cambridge is not licensed as a money transmitter in Pennsylvania pursuant to the MTA.

6. On April 28, 2010, Cambridge submitted an application for a money transmitter license from the Department.

7. As part of the Bureau's investigation into the application, Cambridge disclosed to the Department that it has facilitated foreign currency payments for approximately 94 corporate and commercial customers located in Pennsylvania since February 8, 1999.

8. Section 2 of the Money Transmitter Act 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 (emphasis added).

9. The MTA defines a transmittal instrument is "any check, draft, personal money order or *method for the payment of money* or transmittal of credit. . . ." 7 P.S. §6101 (emphasis added).

10. By facilitating the making and receiving of foreign currency payments for customers located in Pennsylvania, Cambridge engaged in the business of transmitting money by means of a transmittal instrument as defined in the MTA.

11. Cambridge has voluntarily ceased soliciting new Pennsylvania customers until it obtains a money transmitter license from the Department.

12. Cambridge has been cooperative with the Department by fully disclosing its activities to the Department.

### **VIOLATION**

13. Cambridge violated Section 2 of the MTA when it engaged in the business of transmitting money by facilitating foreign currency payments for Pennsylvania customers without a money transmitter license issued by the Department. 7 P.S. §6102.

### **FINE AUTHORITY**

14. The Department has the authority to fine persons for engaging in the business of transmitting money without a license.

15. Specifically, Section 16 of the MTA provides, in relevant part, that “[a]ny person, whether licensed or not licensed under the provisions of this act, or any director, officer, employee or agent of any such person, who shall violate the provisions of this act or shall direct or consent to such violations shall be subject to a fine levied by the Department of Banking of up to two thousand dollars (\$2,000) for each offense.” 7 P.S. § 6116.

### **RELIEF**

16. Fine. Within 30 days of the effective date of this Order as defined in Paragraph 23, Cambridge shall pay to the Department a fine in the amount of \$14,000.00. Payment shall be remitted by certified check or money order and made payable to the “Department of Banking”

and shall be sent to the attention of Licensing Division, Bureau of Compliance, Investigation and Licensing located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

17. Corrective Action. Cambridge shall cease and desist from transmitting any monies on behalf of Pennsylvania customers or otherwise transmitting money as set forth in the MTA unless and until Cambridge is licensed or otherwise authorized to engage in such business in Pennsylvania.

### **FURTHER PROVISIONS**

18. Consent. Cambridge hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MTA and agrees that it understands all of the terms and conditions contained herein. Cambridge, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

19. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking Code. 71 P.S. §733-302.A.(5).

20. Entire Agreement. This Order contains the whole agreement between the parties. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Bureau and Cambridge.

21. Binding Nature. The Bureau, Cambridge, and all officers, owners, directors, employees, heirs and assigns of Cambridge intend to be and are legally bound by the terms of this Order.

22. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

23. Effectiveness. Cambridge hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.

24. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Cambridge in the future regarding all matters not resolved by this Order.

(b) Cambridge acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

25. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

26. Counterparts. This Order may be executed in separate counterparts and by facsimile or email.

27. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

**WHEREFORE**, in consideration of the foregoing, including the recital paragraphs, the Bureau and Cambridge Mercantile Corporation (U.S.A.) intending to be legally bound do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING  
BUREAU OF COMPLIANCE, INVESTIGATION  
AND LICENSING**

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Robert E. Knaub  
Enforcement Administrator

Date: 11/1/10

**FOR CAMBRIDGE MERCANTILE CORPORATION (U.S.A.)**

\_\_\_\_\_  
(Officer Signature)

\_\_\_\_\_  
(Print Officer Name)

CEO Corporate secretary  
(Title)

Date: Oct 28, 2010