

4. In December of 2015, HSI USA submitted an application for a money transmitter license to the Department's Licensing Office.

5. Based on information provided during the application process, it was determined that HSI USA offers corporate customers a means to conveniently coordinate and execute payments to the corporate customers' independent contractors and sales representatives.

6. HSI USA charges its customers a fee for the services it provides.

7. HSI USA interpreted the MTA to apply only to transactions that involved individual consumers, and HSI USA applied for a license as it contemplated adding new services for individual consumers to its business activities.

8. Based on correspondence with the Department, it was determined that HSI USA needed a money transmitter license to engage in business in Pennsylvania regardless of the type of customer to which it provided payment processing services.

9. HSI USA disclosed to the Licensing Office that it has been providing services to corporate customers in Pennsylvania since July of 2015.

10. HSI USA has been cooperative with the Compliance Office by fully disclosing its activities and by applying for a license upon ascertaining that a license was necessary.

11. The Department will issue a money transmitter license once this Order becomes effective.

VIOLATION

12. Section 2 of the MTA provides, in relevant part, that "[n]o 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. . . ." 7 P.S. § 6102.

13. A transmittal instrument is “any check, draft, money order, personal money order or method for the payment of money or transmittal of credit. . . .” 7 P.S. § 6101.

14. HSI USA does not meet any of the exemptions to licensure contained in the MTA. *See* 7 P.S. §§ 6103, 6104.

15. The MTA does not distinguish between corporate and consumer customers.

16. The Department finds that HSI USA engaged in the business of transmitting money by means of a transmittal instrument for a fee when it exchanged in payroll processing activities for customers located in Pennsylvania without a license from July through December of 2015.

17. The Department may fine persons that violate the provisions of the MTA an amount of “up to two thousand dollars for each offense.” 7 P.S. § 6116.

RELIEF

18. Fine. Within 30 days of the Effective Date of this Order as set forth in Paragraph 25, HSI USA shall pay to the Department a fine in the amount of \$5,000. Payment shall be remitted by certified check or money order and made payable to the “Department of Banking and Securities” and shall be sent to the attention of the Compliance Office located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

19. Corrective Action. HSI USA shall maintain a money transmitter license with the Department as long as it engages in the business of transmitting money by means of a transmittal instrument for a fee or other consideration on behalf of Pennsylvania consumers.

FURTHER PROVISIONS

20. Consent. HSI USA 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. HSI USA, 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.

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

22. 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 HSI USA.

23. Binding Nature. The Department, HSI USA, and all officers, owners, directors, employees, heirs and assigns of HSI USA intend to be and are legally bound by the terms of this Order

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

25. Effectiveness. HSI USA hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

26. 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 HSI USA in the future regarding all matters not resolved by this Order.

b. HSI USA 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.

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

28. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

29. 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 Commonwealth of Pennsylvania, Department of Banking and Securities, Compliance Office and HSI USA Inc. intending to be legally bound do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA, COMPLIANCE OFFICE

FOR HSI USA INC.

Redacted _____

Redacted _____

Ryan Walsh, Director
Compliance Office
Department of Banking and Securities

(Officer's Signature)

Tim RICHEY

(Print Officer Name)

Date: April 15, 2016

Global CAMLO

(Title)

Date: 04/13/16

