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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU
OF COMPLIANCE, INVESTIGATION
AND LICENSING

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: Docket No. 090069(ENF-CO)

v.

PAYMENTSFIRST, INC. and
ASSIGNBYWEB, INC. and
ROGER SHEFTTEL, individually

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), has conducted an investigation of PaymentsFirst, Inc., Assignbyweb, Inc. and Roger Sheftel (hereafter "PaymentsFirst"), and its officers, employees and directors. Based on the results of the investigation, the Bureau of Compliance, Investigation and Licensing ("Bureau") believes that PaymentsFirst operated in violation of the Money Transmitter Act ("MTA"), 7 P.S. §6101, *et. seq.* The parties to the above captioned matter, in lieu of litigation, hereby stipulate that the following statements are true and correct in the settlement of the above-captioned matter and, intending to be legally bound, hereby agree to the terms and conditions of this Consent Agreement and Order ("Order").

- 1. The Department is the Pennsylvania state governmental administrative agency authorized and empowered to administer and enforce the MTA.
- 2. The Bureau is primarily responsible for administering and enforcing the MTA.
- 3. PaymentsFirst is located at 414 Barclay Rd, Bryn Mawr, PA 19010-1218.
- 4. The President of PaymentsFirst is Roger Sheftel.

5. PaymentsFirst is not licensed as a money transmitter in Pennsylvania pursuant to the provisions of the MTA.

UNLICENSED ACTIVITY

6. On April 21, 2009 the Department received a complaint from a representative of Bowdoin College located in Brunswick, Maine.

7. Based upon this complaint, the Department initiated an investigation into the matter.

8. As a result of its investigation, the Department ascertained that PaymentsFirst was engaged in the business of transmitting money in the Commonwealth of Pennsylvania although it was not licensed to do so.

9. Specifically, PaymentsFirst operated a system in which it collected monies from colleges, universities, schools, and other entities such as conferences representing colleges, universities and schools (hereinafter referred to as "Educational Institutions") and then transferred those monies to officials, such as referees, for the officials' services provided at various sporting events.

10. The officials were contracted to provide services for various sports including, but not limited to, lacrosse, basketball, gymnastics, wrestling and football.

11. PaymentsFirst advertised to Educational Institutions on its website, www.paymentsfirst.com that it provided this service.

12. On April 24, 2009, the Bureau issued a Cease and Desist Order against PaymentsFirst ordering it to cease and desist from engaging in the unlicensed money transmission activity as defined in the MTA and requiring PaymentsFirst to reimburse the

colleges and universities for monies that were accepted, but not dispersed, to the college officials.

13. PaymentsFirst did not contest the Cease and Desist Order.

14. As a result, the Cease and Desist Order became final on May 4, 2009.

15. Since the entry of the Cease and Desist Order, the Department has received numerous complaints from Educational Institutions regarding additional amounts owed to the officials for services provided at sporting events but not paid by PaymentsFirst although the Educational Institutions had already forwarded the monies to PaymentsFirst for disbursement to the officials.

16. PaymentsFirst has either reimbursed or partially reimbursed several of the affected Educational Institutions or officials at the request of the Educational Institutions.

17. PaymentsFirst has agreed to reimburse, settle or make a good faith effort to settle with the Educational Institutions the monies paid to PaymentsFirst and not disbursed to the officials for their services.

18. To enable PaymentsFirst to reimburse or settle with the Educational Institutions affected by its unlicensed activity, the Bureau has agreed to modify the terms of the May 4, 2009 Cease and Desist Order as set forth below.

RELIEF

19. Corrective Actions.

a. PaymentsFirst shall immediately establish a procedure, approved by the Department, to address any and all complaints and inquiries made by the Educational Institutions for amounts owed to officials as a result of its unlicensed money transmittal activity engaged in prior to the Effective Date of this Order. Such a procedure has been

implemented by PaymentsFirst. Complaints or inquiries from Educational Institutions should be referred to:

Roger Sheftel
1-800-251-5009 ext. 717

b. PaymentsFirst shall immediately make a good faith effort to contact any Educational Institutions that have forwarded monies to PaymentsFirst that were not disbursed to the officials and are not anticipated to be disbursed to the officials and to take steps to resolve any outstanding amounts owed or to be owed as a result of its unlicensed money transmittal activity engaged in prior to the Effective Date of this Order.

c. Within sixty (60) days of the Effective Date of this Order, PaymentsFirst shall reimburse or settle or make a good faith effort to settle with each of the Educational Institutions that have outstanding amounts owed to officials as a result of PaymentsFirst's unlicensed money transmittal activity engaged in prior to the Effective Date of this Order.

d. Within sixty (60) days of the Effective Date of this Order, PaymentsFirst shall provide to the Department proof of reimbursement, or settlement, or good faith efforts settle, with any Educational Institutions that have amounts due to officials. The proof submitted shall include, but not be limited to, cancelled checks, releases entered into with Educational Institutions, correspondence and other such documentation showing proof of a resolution or good faith attempts to reach a resolution that is satisfactory to the Department. Documentation shall be sent to the attention of Ryan M. Walsh, Administrator, Non-Depository Institutions, Bureau of Compliance, Investigation and Licensing located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

e. PaymentsFirst shall provide regular updates as to the status of the reimbursements, settlements, and good faith efforts to settle with the Educational Institutions. PaymentsFirst agrees to provide the updates on a schedule and in a manner agreed upon by the Department.

f. PaymentsFirst shall comply with the terms of any agreement made with the Educational Institutions to reimburse or settle on the amounts owed as a result of the unlicensed money transmittal activity that occurred prior to the Effective Date of this Order.

g. PaymentsFirst is immediately prohibited from engaging in any new money transmittal activity or business that requires licensure under the MTA unless and until PaymentsFirst is licensed or otherwise authorized to engage in such business in the Commonwealth of Pennsylvania.

FURTHER PROVISIONS

20. Consent. PaymentsFirst hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the MTA and agrees that it understands all of the terms and conditions contained herein. PaymentsFirst, 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 and Release. PaymentsFirst consents to the publication and release of this Order.

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 PaymentsFirst.

23. Binding Nature. The Bureau, PaymentsFirst, and all officers, owners, directors, employees, heirs and assigns of PaymentsFirst 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. PaymentsFirst hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "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 PaymentsFirst in the future regarding all matters not resolved by this Order.

b. PaymentsFirst 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.

c. PaymentsFirst acknowledges and agrees that this Order does not limit the Educational Institutions' ability to pursue other remedies available to them under any other provision of law.

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 and by facsimile.

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 Bureau and PaymentsFirst 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**

Ryan M. Walsh, Administrator
Bureau of Compliance,
Investigation and Licensing
Department of Banking

Date: May 27, 2009

FOR PAYMENTSFIRST, INC. and ASSIGNBYWEB.COM

(Officer Signature)

Roger Sheeran
(Print Officer Name)

President
(Title)

Date: May 26, 2009

FOR ROGER SHEFTEL

(Signature)

Roger Sheftel
(Print Name)

Date: May 26, 2009

COUNSEL FOR PAYMENTSFIRST, INC., ASSIGNBYWEB, INC. AND ROGER
SHEFTEL

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