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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF  
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA :  
DEPARTMENT OF BANKING AND :  
SECURITIES, COMPLIANCE OFFICE :

v.

DOCKET NO. 17 0080 <sup>BK</sup> (INT-CAO)

INTERNET ESCROW SERVICES, INC. :

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Compliance Office, has evaluated the business practices of Internet Escrow Services, Inc. ("IESI"), and its officers, employees and directors. Based on the results of its evaluation, it is the Compliance Office's position that IESI has operated in violation of the Money Transmitter Act ("MTA"), 7 P.S. § 6101, *et seq.* IESI without admitting or denying any of the allegations herein, agrees to the terms of this Consent Agreement and Order ("Order"). The parties to the above-captioned matter seek to resolve this matter, in lieu of litigation, and hereby stipulate that the following statements are true and correct summaries of the allegations in the settlement of the above-captioned matter and, intending to be legally bound, agree to the terms and conditions of this Consent Agreement and Order ("Order").

**BACKGROUND**

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the MTA.
2. The Department's Compliance Office is charged with the responsibility of administering and enforcing the MTA.
3. The Department has authority to impose an order against a person and issue a fine of "up to ten thousand dollars (\$10,000) for each offense." See 7 P.S. § 6116.
4. IESI is a California corporation, located at Suite 650, 180 Montgomery Street, San Francisco, CA 94104.

5. IESI engages in the business of being a third party that receives, holds and disburses payments of funds required for parties (Buyer, Seller, Broker) involved in internet transactions of the sale/purchase of merchandise, domain names and websites or domain name holding, and selected services.

6. IESI is not currently, and has never been, licensed as a money transmitter by the Department.

7. IESI has submitted an application to the Department, on or around August 2, 2017 for licensure as a money transmitter.

#### VIOLATION

8. Section 2 of 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 with or on behalf of an individual without first having obtained a license from the department.”

7 P.S. § 6102(a).

9. A person includes an “individual or an organization..” 7 P.S. § 6101.

10. A transmittal instrument is: “[a]ny check, draft, money order, personal money order, debit card, stored value card, electronic transfer or other method for the payment of money or transmittal of credit...”

7 P.S. § 6101

11. IESI engaged in the business of transmitting money by means of a transmittal instrument for a fee when it, *inter alia*, facilitated the transfer of money from a buyer to a seller or broker, in violation of the MTA.

#### RELIEF

12. Fine. Within 30 days of the effective date of this Order, IESI shall pay \$100,000. The payment shall be made by company check, certified check or money order made payable to the “Department of Banking and Securities” and shall be mailed or delivered, in person, to the Compliance Office located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

13. License. Upon the effective date of this Order, IESI’s money transmitter license application will

be approved by the Licensing Office. Should IESI, and its subsidiaries and affiliates, fail to comply with any of the terms set forth in the Order, including failure to pay their fines in a timely manner, the Department reserves the right to take enforcement action against IESI or its affiliates and subsidiaries, including suspension, revocation or refusal to renew a money transmitter license.

14. Corrective Action.

- a. IESI, its affiliates or subsidiaries, shall not engage in the business of money transmission without maintaining a money transmitter license.
- b. IESI must notify the Department's Licensing Office immediately should IESI make any changes to its business plan. IESI shall provide the Licensing Office with the new business plan and any information that it may request regarding those change(s).

**FURTHER PROVISIONS**

15. Consent. IESI hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department's authority under the MTA and IESI agrees that it understands all of the terms and conditions contained herein. IESI, 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.

16. 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).

17. Entire Agreement. This Order contains the entire agreement between the Department and IESI. 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 Department and IESI.

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

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

20. 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 IESI, its affiliates and subsidiaries, in the future regarding all matters not resolved by this Order
- b. IESI 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.

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

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

23. 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.

24. Effectiveness. IESI hereby stipulates and agrees that the Order shall become effective on the date that the Compliance Office executes the Order ("Effective Date").

**WHEREFORE**, in consideration of the foregoing, including the recital paragraphs, the Department of Banking and Securities' Compliance Office and IESI, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF  
PENNSYLVANIA, DEPARTMENT OF  
BANKING AND SECURITIES,  
COMPLIANCE OFFICE**

**FOR INTERNET ESCROW SERVICES, INC.**

Redacted  
 \_\_\_\_\_  
 James Keiser  
 Chief, Compliance Office

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

Robert Matthew Barrie  
 \_\_\_\_\_  
 (Print Officer Name)

Date: December 21, 2017

President, Director  
 \_\_\_\_\_  
 (Title)

Date. December 21, 2017

