

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

FILED

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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND  
SECURITIES, COMPLIANCE OFFICE

v.

RELIANT ACCOUNT MANAGEMENT, LLC

DOCKET No. 18 *0065* *CAO*  
(BNK-ORD)

PA DEPARTMENT OF  
BANKING AND SECURITIES

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities' ("Department") Compliance Office, evaluated certain business practices of Reliant Account Management, LLC ("RAM") and its officers, employees and directors. Based on the results of its evaluation, the Department concluded that RAM engages in the transmission of money without a license in violation of the Money Transmitter Act ("MTA"), 7 P.S. § 6101 et seq. RAM, without admitting wrongdoing, agrees to enter into this Consent Agreement and Order ("Order"). The parties, to resolve this matter amicably, to avoid the costs of litigation, and intending to be legally bound, hereby agree to the terms of this Order.

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the MTA.
2. The Compliance Office has the primary responsibility of administering and enforcing the MTA for the Department.
3. RAM is organized in California and is physically located at 412 N. Cedar Bluff Road, Suite 400, Knoxville, TN.
4. RAM is a party to agreements with customers of debt settlement service companies (debt settlement is a financial service that requires a license pursuant to the Debt Settlement Services Act, 63

P.S. § 2501 *et seq.*) requiring RAM to establish a common custodial account with an insured financial institution to hold monies to be used for debt settlements; to track and monitor the interests of each customer in the custodial account, to automatically debit consumer bank accounts; to make payments into the custodial account; to hold consumer funds in the account pending debt settlement agreements with consumer's third-party creditors, and ultimately to make payments from the account to those third-party creditors and pay fees to the debt settlement company on behalf of consumers

5. RAM began providing those services to Pennsylvania consumers in March of 2010

#### AUTHORITY

6. The MTA provides 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. ." 7 P.S. § 6102

7. 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 (*emphasis added*).

8. The Department has the authority to issue a fine of "up to two thousand dollars (\$2,000) for each offense" prior to January 2, 2017 and "up to \$10,000 for each offense" after January 2, 2017." *See* 7 P.S. § 6116

#### ALLEGED VIOLATIONS

9. Following a review of RAM's operations, the Compliance Office concluded that RAM engaged in unlicensed activity in violation of the MTA when, for a fee and without a license, it used an electronic transmittal instrument to move money from consumers bank accounts to a trust account and when it used an electronic transmittal instrument to move money from the trust account to consumers' third-party creditors

10. The Compliance Office further concluded RAM's operations did not entitle it to claim an exemption from licensing under the MTA as an agent of an insured financial institution

11. RAM denies that it has violated the MTA, but to continue operations in Pennsylvania has submitted an application for money transmitter license

**RELIEF**

12. **Fine** In full satisfaction of any claims that prior to the issuance of an MTA license RAM has violated the MTA by conducting its activities without a license, RAM agrees to pay a fine totaling \$111,000 in installments over a six-month period of time. The first installment will be paid within 30 days of the Effective Date of this Order, as defined in paragraph 20 below in the amount of \$55,000. The remaining \$56,000 will be paid in installments of \$11,200 each month for the following five months. Payment shall be made by ACH or wire transfer, or if ACH or wire transfer is unavailable by certified check, cashier's check, teller's 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**. The Department will not deny any license application based on the existence of this Order or the facts underlying this Order.

14. **Violations**. Non-compliance with this Order or future violations of the MTA may result in a suspension, revocation or refusal to renew any license that is granted, or other enforcement action authorized to be taken by the Department, or may lead to enforcement of this Order in Commonwealth Court.

**FURTHER PROVISIONS**

15. **Consent** RAM hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department's order authority under the MTA and agrees that it understands all the terms and conditions contained herein. RAM, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and 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 Code 71 P.S. § 733-302 A(5).

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

18. Binding Nature. The Department, RAM, and all affiliates, subsidiaries, officers, owners, directors, employees, heirs and assigns of RAM, 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. Effectiveness. RAM hereby stipulates and agrees that the Order shall become effective the day it is docketed in the Office of the Secretary.

21. 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 RAM in the future regarding all matters not resolved by this Order.

b. RAM 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.

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

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

24. 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, Bureau of Compliance and Licensing and Reliant Account Management, LLC intending to be legally bound, do hereby execute this Consent Agreement and Order.

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

James Keiser  
Director  
Compliance Office

Date

FOR RELIANT ACCOUNT MANAGEMENT, LLC

Redacted  
(Officer Signature)

9/21/18  
Date

Stephen Chaya  
(Print Officer Name)

V. Pres.  
(Title)

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

Redacted  
~~John Talalai~~  
Administrator  
Compliance Office

Date: 9/21/2018

