

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, COMPLIANCE OFFICE	:	
	:	DOCKET NO. 230004 (BNK-C&D)
v.	:	
	:	
DIAMOND MONEY ORDER COMPANY, LLC:	:	
HAN-YOUNG HUANG, individually	:	
MICHAEL BLICHARSKI, individually	:	
	:	

NOTICE OF RIGHT TO HEARING AND APPEAL

You have the right to a hearing, upon request, within 14 days of the attached Cease and Desist Order (“Order”), 7 P.S. § 6110(a)(7). To request a hearing, you must submit the request in writing with the Docket Clerk as set forth below. **If the Docket Clerk does not receive your hearing request, you will waive your right to a hearing and the Order will be deemed final. Final orders of the Department may be appealed to the Pennsylvania Commonwealth Court. See 2 Pa.C.S. § 702 and 42 Pa.C.S. § 763.**

The hearing request and all other documents relating to this matter must be filed via first-class mail and electronic mail with the Docket Clerk:

Eileen Smith, Docket Clerk
Pennsylvania Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, Pennsylvania 17101
Email: RA-BNDOCKETCLERK@pa.gov

Further, you must serve a copy of the hearing request on the person who signed the attached Order by providing a copy to their counsel set forth below:

Office of Chief Counsel
Pennsylvania Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, Pennsylvania 17101
Email: RA-BNChiefCounsel@pa.gov

Once you file your hearing request, you will be notified of pertinent information such as the name of the presiding officer designated by the Banking and Securities Commission to hear this matter and, if a hearing is scheduled, the date, time, and location of the hearing. You have the right to be represented by an attorney.

All procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa.C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1-35.251.

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CEASE AND DESIST ORDER

1. The Department of Banking and Securities (“Department”) is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the act known as the Money Transmitter Act (“MTA”), 7 P.S. § 6101 *et seq.*

2. The Department’s Compliance Office (“Office”) is primarily responsible for administering and enforcing the MTA.

3. The Department is authorized to issue orders as may be necessary for the enforcement of the MTA, 7 P.S. § 6110(a)(4).

4. Diamond Money Order Company, LLC (“Diamond”) is located at 4034 Veterans Highway, Suite C, Levittown, Pennsylvania 19056.

5. Diamond is a Pennsylvania licensed Money Transmitter, with license # 35198 issued by the Department pursuant to the MTA.

6. Diamond is 50% owned by President Han-Young Huang (“Han”) and 50% owned by Vice President Michael Blicharski.

7. The Office received a voicemail from Han on January 26, 2023, indicating that Diamond had shut down operations and did not have sufficient funds to satisfy its outstanding money orders.

8. The Department's Director of Non-Depository Examinations, Ryan Walsh ("Walsh"), called Han on January 26, 2023. On this call, Han indicated that Diamond stopped selling money orders on January 25, 2023, that Diamond was out of money, and that Diamond could not fund its outstanding money orders. Walsh requested confirmation of the discussion from Diamond, along with reports of the outstanding money orders.

9. Deputy Secretary for Non-Depository Institutions Tim Knopp ("Knopp") and Walsh called Han on January 27, 2023. Han explained that he recently purchased Diamond, including its outstanding money orders. However, when the previously issued money orders were being deposited, Han had no funds to provide to the bank to satisfy those money orders. Han indicated that there were 3 days of deposits, accounting for over \$200,000, which he could not fund that were being returned for non-sufficient funds. Knopp asked Han directly how he planned to fund the issued money orders, and Han indicated that he did not plan to satisfy those issued money orders. Han then inquired how he could have consumers collect on Diamond's bond, which was required as a condition for licensure. Knopp requested a written summary from Han, along with a detailed report including the consumer information of all outstanding money orders.

10. To date, the Department's Consumer Services Office has received at least 27 complaints related to Diamond money orders being returned for non-sufficient funds.

11. Section 11(a) of the MTA states: "(a) Every licensee shall be liable for the payment of all moneys covered by transmittal instruments which he issues in this Commonwealth whether directly or through an agent and whether as a maker or a drawer." 7 P.S. § 6111(a).

12. Section 11.1(1) of the MTA states: “A licensee shall: (1) Operate in a safe and sound manner, ensuring that its practices and the practices of its agents, if applicable, do not create the likelihood of material loss, insolvency or dissipation of assets, or otherwise materially prejudice the interest of individuals who use the licensee's services to transmit money.” 7 P.S. § 6111.1(1).

13. Section 11.1(2) of the MTA states: “A licensee shall: (2) Comply with all applicable Federal or State laws and rules pertaining to the business of money transmission.” 7 P.S. § 6111.1(2).

14. Section 11.1(6) of the MTA states: “A licensee shall: (6) Maintain at all times the bond and tangible net worth required by this act.” 7 P.S. § 6111.1(6).

15. As Diamond does not possess sufficient funds to satisfy its outstanding money orders and has no plans to satisfy its outstanding money orders, Diamond has failed to be liable for the payment of all moneys covered by transmittal instruments which it has issued, in violation of Section 11(a) of the MTA. 7 P.S. § 6111(a).

16. As Diamond does not possess sufficient funds to satisfy its outstanding money orders and has no plans to satisfy its outstanding money orders, Diamond had failed to operate in a safe and sound manner and to ensure that its practices do not create the likelihood of material loss, insolvency or dissipation of assets, or otherwise materially prejudice the interest of individuals who use Diamond’s money transmitting services, in violation of Section 11.1(1) of the MTA. 7 P.S. § 6111.1(1).

17. As Diamond does not possess sufficient funds to satisfy its outstanding money orders and has no plans to satisfy its outstanding money orders, Diamond has failed to comply

with all applicable Federal or State laws and rules pertaining to the business of money transmission, in violation of Section 11.1(2) of the MTA. 7 P.S. § 6111.1(2).

18. Diamond has failed to maintain at all times the tangible net worth requirement of \$500,000, in violation of Section 11.1(6) of the MTA. 7 P.S. § 6111.1(6).

19. Section 10(a)(5) of the MTA provides: “(a) The department shall have the authority to: (5) Prohibit or permanently remove a person or licensee responsible for a violation of this act from working in the present capacity or in any other capacity of the person or licensee related to activities regulated by the department.” 7 P.S. § 6110(a)(5).

20. Section 10(a)(6) of the MTA provides: “(a) The department shall have the authority to: (6) Order a person or licensee to make restitution for actual damages to individuals caused by any violation of this act.” 7 P.S. § 6110(a)(6).

21. Section 10.1(a)(2) of the MTA provides: “(a) The department may suspend, revoke or refuse to renew a license issued under this act if any fact or condition exists or is discovered which, if it had existed or had been discovered at the time of filing of the application for the license, would have warranted the department's refusal to issue the license or if a licensee or director, officer, partner, employee or owner of a licensee has: (2) Failed to comply with or violated any provision of this act or any regulation or order promulgated or issued by the department under this act.” 7 P.S. § 6110.1(a)(2).

22. Section 10.1(a)(3) of the MTA provides: “(a) The department may suspend, revoke or refuse to renew a license issued under this act if any fact or condition exists or is discovered which, if it had existed or had been discovered at the time of filing of the application for the license, would have warranted the department's refusal to issue the license or if a licensee or director, officer, partner, employee or owner of a licensee has: (3) Engaged in dishonest, fraudulent or

illegal practices or conduct in a business or unfair or unethical practices or conduct in connection with the money transmission business.” 7 P.S. § 6110.1(a)(3).

23. Section 10.1(a)(9) of the MTA provides: “(a) The department may suspend, revoke or refuse to renew a license issued under this act if any fact or condition exists or is discovered which, if it had existed or had been discovered at the time of filing of the application for the license, would have warranted the department's refusal to issue the license or if a licensee or director, officer, partner, employee or owner of a licensee has: (9) Demonstrated negligence or incompetence in performing an act for which the licensee is required to hold a license.” 7 P.S. § 6110.1(a)(9).

24. Section 10.1(a)(10) of the MTA provides: “(a) The department may suspend, revoke or refuse to renew a license issued under this act if any fact or condition exists or is discovered which, if it had existed or had been discovered at the time of filing of the application for the license, would have warranted the department's refusal to issue the license or if a licensee or director, officer, partner, employee or owner of a licensee has: (10) Become insolvent, meaning that the liabilities of the applicant or licensee exceed the assets of the applicant or licensee or that the applicant or licensee cannot meet the obligations of the applicant or licensee as they mature or the applicant or licensee is in such financial condition that the applicant or licensee cannot continue in business with safety to the customers of the applicant or licensee.” 7 P.S. § 6110.1(a)(10).

25. Section 16 of the MTA provides: “Any person who directly or through another violates or attempts to violate any provision of this act shall be guilty of a felony, and shall be fined not less than five thousand dollars (\$5,000), nor more than fifty thousand dollars (\$50,000) and shall be imprisoned for not more than seven years in the discretion of the court. Any 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 up to ten thousand dollars (\$10,000) for each offense.” 7 P.S. § 6116.

AND NOW THEREFORE, the Department hereby imposes the following Order (“Order”). Upon the effective date of this Order:

1. Diamond, Han-Young Huang and Michael Blicharski, and every successor, affiliate, control person, agent, servant, and employee of them, and every entity owned, operated, or indirectly or directly controlled or hereinafter organized by or on behalf of them shall immediately CEASE AND DESIST from engaging in the business of money transmission.
2. Diamond’s Money Transmitter license # 35198 is immediately revoked.
3. Han-Young Huang is immediately prohibited from working in any capacity related to activities regulated by the Department.
4. Michael Blicharski is immediately prohibited from working in any capacity related to activities regulated by the Department.
5. Diamond, Han-Young Huang, and Michael Blicharski shall pay the Department a fine of \$10,000 for each unfunded money order which is not satisfied by the corrective actions below.
6. Corrective Action.
 - a. Diamond shall immediately provide to the Department a detailed log of all outstanding money orders (“Money Order Log”). Diamond shall include in the Money Order Log, at a minimum:
 - i. Customer names

- ii. Customer addresses
 - iii. Money order serial numbers
 - iv. Date of money orders
 - v. Amount of money orders
 - vi. Fees collected from customers by Diamond in connection with the money orders
 - vii. Location of purchase of money orders
- b. Diamond shall provide the Department with a list of all bank accounts associated with its business, including the name of each bank and each bank account number.
 - c. Diamond shall either immediately fund all outstanding money order liabilities or refund all moneys paid by consumers in connection with Diamond's outstanding money orders.
 - d. Diamond shall rebate each consumer for all fees the consumer incurred as a result of any money order being returned for insufficient funds.
 - e. Diamond shall refund each consumer for all fees charged to the consumer to purchase any outstanding money order.

7. Nothing in this Order shall prevent the Department from taking any further administrative action as it deems necessary.

IT IS SO ORDERED.

Redacted



Timothy D. Knopp
Deputy Secretary for Non-Depository Institutions
Department of Banking and Securities

February 1, 2023
Dated: _____

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Cease and Desist Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST-CLASS MAIL ON FEBRUARY 2, 2023

Diamond Money Order Company, LLC	Han-Young Huang
4034 Veterans Highway, Suite C	
Levittown, PA 19056	Redacted

Michael Blicharski

Redacted

BY ELECTRONIC MAIL ON FEBRUARY 1, 2023

Han-Young Huang	Michael Blicharski
Redacted	Redacted

Dated: February 1, 2023

Redacted

Eileen Smith, Legal Office Administrator
Office of Chief Counsel
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
Market Square Plaza
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471