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**IN THE MATTER OF:** \*  
\*  
**PAYPOOL LLC** \*  
**NMLS # 1572912** \*  
\*  
**(“Paypool”)** \*  
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**CONSENT ORDER**

**WHEREAS**, the Banking Commissioner (“Commissioner”) is charged with the administration of Part V of Chapter 668, Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes, known as the “Money Transmission Act”;

**WHEREAS**, Paypool is a Delaware limited liability company with an office at 800 Maine Avenue SW, Suite 650, Washington, D.C.;

**WHEREAS**, the Commissioner, through the Consumer Credit Division of the Department of Banking (“Division”), has investigated the activities of Paypool pursuant to Sections 36a-17 and 36a-608(a) of the Connecticut General Statutes, to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner;

**WHEREAS**, on January 3, 2018, Paypool filed an application with the Commissioner on the Nationwide Multistate Licensing System and Registry (“NMLS”) to obtain an initial license to engage in the business of money transmission in Connecticut, which application is currently pending;

**WHEREAS**, during the Division’s review of the application, Paypool disclosed that it had conducted money transmission activity in Connecticut without a money transmission license;

**WHEREAS**, Paypool has never acquired or maintained a money transmission license, as required by Section 36a-597 of the Connecticut General Statutes, at any point in time during which it engaged in money transmission activities within this state;

**WHEREAS**, as a result of such investigation, the Commissioner alleges that from December 2016 to May 2018, Paypool engaged in the business of money transmission in this state without a license, in violation of Section 36a-597(a) of the Connecticut General Statutes;

**WHEREAS**, the Commissioner believes that such allegation would support the initiation of enforcement proceedings against Paypool, including, without limitation, proceedings to issue a cease and desist order pursuant to Sections 36a-608(c) and 36a-52(a) of the Connecticut General Statutes and to impose a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation pursuant to Sections 36a-608(c) and 36a-50(a) of the Connecticut General Statutes;

**WHEREAS**, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes;

**WHEREAS**, Sections 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

**WHEREAS**, both the Commissioner and Paypool acknowledge the possible consequences of formal administrative proceedings, and Paypool voluntarily agrees to consent to the entry of the sanctions imposed below without admitting or denying the allegations set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegations set forth herein;

**WHEREAS**, the Commissioner and Paypool now desire to resolve the matters set forth herein;

**WHEREAS**, Paypool specifically assures the Commissioner that the violation alleged herein shall not occur in the future;

**WHEREAS**, Paypool acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on NMLS, as applicable;

**AND WHEREAS**, Paypool, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegation set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

### **CONSENT TO ENTRY OF SANCTIONS**

**WHEREAS**, Paypool, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. No later than the date this Consent Order is executed by Paypool, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Ten Thousand Dollars (\$10,000) as a civil penalty;
2. No later than the date this Consent Order is executed by Paypool, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of One Thousand Two Hundred Fifty Dollars (\$1,250) as payment for back licensing fees; and
3. Paypool shall cease and desist from engaging in the business of money transmission in this state without a license, in violation of Section 36a-597(a) of the Connecticut General Statutes.

### **CONSENT ORDER**

**NOW THEREFORE**, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against Paypool based upon the allegation set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against Paypool based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by Paypool and reflected herein is subsequently discovered to be untrue;
3. Paypool shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, that the recitals in this Consent Order are without factual basis;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by Paypool and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of Paypool to apply for or obtain an initial license or renewal license under Part V of Chapter 668, Sections 36a-595 to 36a-612, inclusive, of the Connecticut

General Statutes, provided that all applicable legal requirements for such licenses are satisfied and the terms of this Consent Order are followed;

5. This Consent Order shall be binding on Paypool and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut  
This 28th day of May 2019.

/s/  
\_\_\_\_\_  
Jorge L. Perez  
Banking Commissioner

I, Daniel Matthew Voorhees, state on behalf of Paypool LLC, that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Paypool LLC; that Paypool LLC agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Paypool LLC voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/ \_\_\_\_\_  
Name:  
Title:  
Paypool LLC

State of: Maryland

County of: Montgomery

On this the 15th day of May 2019, before me, Daniel Voorhees, the undersigned officer, personally appeared in my presence, who acknowledged himself/herself to be the CEO of Paypool LLC, a member managed/manager managed limited liability company, and that he/she as such manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as CEO.

In witness whereof I hereunto set my hand.

/s/ Rita Ladbush \_\_\_\_\_  
Notary Public  
Date Commission Expires: 10-13-19