
*
IN THE MATTER OF: *
*
PAYCOR, INC. *
*
*
(“Paycor”) *
*

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, Paycor is a Delaware corporation with a principal office at 4811 Montgomery Road, Cincinnati, Ohio;

WHEREAS, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, has investigated the activities of Paycor 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, by letter dated July 16, 2015, counsel for Paycor requested a formal opinion from the Division as to whether Paycor was subject to the money transmission licensure requirement based upon certain facts presented by Paycor, including a description of its activities in Connecticut;

WHEREAS, on August 21, 2015, the Division issued a formal opinion letter stating that Paycor was required to be licensed to engage in the business of money transmission in Connecticut in order to engage in the activities described by Paycor in its July 16, 2015 request;

WHEREAS, after Paycor received the Department issued opinion letter, Paycor continued to act as

an unlicensed money transmitter despite failing to obtain or maintain a money transmission license as required by Section 36a-597(a) of the Connecticut General Statutes at any point in time during which it engaged in money transmission activities within the state;

WHEREAS, as a result of such investigation, the Commissioner alleges that from at least July 16, 2015 to the present, Paycor 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 initiation of enforcement proceedings against Paycor, including, without limitation, proceedings to issue a cease and desist order against Paycor pursuant to Sections 36a-608(c) and 36a-52(a) of the Connecticut General Statutes and to impose a civil penalty upon Paycor 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, Section 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 Paycor acknowledge the possible consequences of formal administrative proceedings, and Paycor voluntarily agrees to consent to the entry of the sanctions imposed below solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

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

WHEREAS, Paycor represents to the Commissioner that all money transmission activities in this state have been transferred to a third-party entity that is compliant with money transmission licensure requirements and exemptions;

WHEREAS, Paycor herein represents to the Commissioner that all money transmission activities in this state will be performed by licensed entities from the date of the execution of this Consent Order and at all times thereafter;

WHEREAS, Paycor represents to the Commissioner that it has instituted commercially reasonable processes and procedures that shall act as safeguards to ensure that all newly received Connecticut payments shall be moved to the platform of the third-party entity authorized to perform money transmission in this state as soon as reasonably practicable in furtherance of its efforts to ensure the Commissioner that the violation alleged herein shall not occur in the future;

WHEREAS, Paycor acknowledges that this Consent Order is a public record and is a reportable event for purposes of the Nationwide Multistate Licensing System and Registry (“NMLS”), as applicable;

AND WHEREAS, Paycor, 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, Paycor, 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 Paycor, 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 Sixty Thousand Dollars (\$60,000) as a civil penalty; and
2. Paycor 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 Paycor 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 Paycor 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 Paycor and reflected herein is subsequently discovered to be untrue;
3. Paycor 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, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by Paycor and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of Paycor 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 Paycor and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 19th day of March 2020.

Jorge L. Perez
Banking Commissioner

I, Brian Smyth, state on behalf of Paycor, Inc., 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 Paycor, Inc.; that Paycor, Inc. agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Paycor, Inc. voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: _____

Name: Bryan Smyth

Title: Treasurer

Paycor, Inc.

State of: Ohio

County of: Hamilton

On this the 9th day of March 2020, before me, Zachary Briggs, the undersigned officer, personally appeared Brian Smyth who acknowledged himself/herself to be the Treasurer of Paycor, Inc., a corporation, and that he/she as such Treasurer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as Treasurer.

In witness whereof I hereunto set my hand.

Notary Public Zachary David Briggs, Attorney at Law
Date Commission Expires: