
IN THE MATTER OF:

**GUSTO, INC f/k/a ZENPAYROLL, INC.
d/b/a GUSTO
NMLS # 1737896**

(“Gusto”)

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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, “Payment Instruments, Money Transmission”;

WHEREAS, Gusto is a Delaware corporation with a principal business address of 525 20th Street, San Francisco, California;

WHEREAS, on or about September 3, 2020, Gusto filed an application on its own initiative with the Commissioner on the Nationwide Multistate Licensing System and Registry (“NMLS”) to obtain a license to engage in the business of money transmission in Connecticut, which application is currently pending;

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking, has conducted an investigation into the activities of Gusto pursuant to Sections 36a-17, 36a-600 and 36a-608 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, as a result of such investigation, the Commissioner alleges that Gusto engaged in the business of money transmission in this state without the required license since at least 2013, 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 Gusto, including, without limitation, proceedings to issue a cease and desist order pursuant to Sections 36a-608(c) and Section 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 Section 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, the Commissioner acknowledges Gusto demonstrated good faith in submitting an application to become licensed as a money transmitter and submitted information with its application in support of its belief that its payroll processing activity did not trigger the licensure requirement as a money transmitter, and the Commissioner further acknowledges that the Department has not received any complaints related to Gusto’s money transmission activities.

WHEREAS, both the Commissioner and Gusto acknowledge the possible consequences of formal administrative proceedings, and Gusto 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 Gusto now desire to resolve the matters set forth herein;

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

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

1. Gusto shall not engage in the business of money transmission in this state without a license, in violation of Section 36a-597(a) of the Connecticut General Statutes; and
2. No later than the date this Consent Order is executed by Gusto, 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;
3. No later than the date this Consent Order is executed by Gusto, 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 Three Thousand Seven Hundred Fifty Dollars (\$3,750) as payment for back licensing fees.

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 Gusto based upon the allegation contained herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against Gusto 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 Gusto and reflected herein is subsequently discovered to be untrue;

3. Gusto 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 Gusto and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of Gusto 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 Gusto and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 24th day of June 2021.

/s/

Jorge L. Perez
Banking Commissioner

I, Alyssa Harvey Dawson, state on behalf of Gusto, Inc f/k/a ZenPayroll, Inc. d/b/a Gusto, 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 Gusto, Inc f/k/a ZenPayroll, Inc. d/b/a Gusto; that Gusto, Inc f/k/a ZenPayroll, Inc. d/b/a Gusto, agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Gusto, Inc f/k/a ZenPayroll, Inc. d/b/a Gusto, 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: Alyssa Harvey Dawson
Title: Chief Legal Officer
Gusto, Inc f/k/a ZenPayroll, Inc. d/b/a Gusto

State of: Connecticut

County of: Fairfield

On this the 21 day of June 2021, before me, Jesenia Sena, the undersigned officer, personally appeared Alyssa Harvey Dawson who acknowledged himself/herself to be the CLO of Gusto, Inc f/k/a ZenPayroll, Inc. d/b/a Gusto, a corporation, and that he/she as such CLO, 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 Alyssa Harvey Dawson/CLO.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires: 02/28/2025