

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Money Transmitter License
3 of:

No. 07F-BD039-BNK

4 **AMERICAN CASH EXCHANGE, INC. AND**
5 **DONALD C. LICCIARDELLO, PRESIDENT**
12 North Main St.
6 Pennington, NJ 08534

CONSENT ORDER

Petitioners.

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8 On November 29, 2006, the Arizona Department of Financial Institutions ("Department")
9 issued a Notice of Hearing alleging that Petitioners had violated Arizona law. Wishing to resolve
10 this matter in lieu of an administrative hearing, and without admitting liability, Petitioners do not
11 contest the following Findings of Fact and Conclusions of Law, and consent to the entry of the
12 following Order.

13 **FINDINGS OF FACT**

14 1. Petitioner American Cash Exchange, Inc. ("ACE") is a Delaware corporation
15 authorized to transact business in Arizona as a money transmitter, license number MT 0906003,
16 within the meaning of A.R.S. §§ 6-1201, *et seq.* The nature of ACE's business is that of a money
17 transmitter within the meaning of A.R.S. § 6-1201(11).

18 2. Petitioner Donald C. Licciardello ("Mr. Licciardello") is the President of ACE and is
19 authorized to transact business in Arizona as a money transmitter within the meaning of A.R.S. §§ 6-
20 1201, *et seq.*

21 3. An examination of ACE, conducted by the Department on August 29, 2006 revealed
22 that ACE and Mr. Licciardello:

23 a. Failed to maintain the statutorily net worth requirement at all times;
24 specifically:

25 i. Petitioners failed to maintain a net worth of five hundred thousand
26 dollars (\$500,000.00) at all times;

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- ii. Petitioners failed to provide an adequate and sufficient response to the Department on two occasions relating to certain company financials involving the quarter ending March 30, 2006;
 - iii. Petitioners had a negative net worth of \$214,567 during the quarter ending September 30, 2005;
 - iv. Petitioners had a negative net worth of \$1,277,573 during the quarter ending December 31, 2005; and
 - v. Petitioners had a negative net worth of \$236,000 during the quarter ending March 31, 2006;
- b. Failed to prominently display their money transmitter license at each of their authorized delegates' locations; specifically:
- i. 99c Discount Store and Mundo Lat Comm.;
- c. Failed to provide each authorized delegate with operating policies and procedures and the appropriate appendices sufficient to permit compliance with the provisions of Title 13, Chapter 23 and Title 6, Chapter 12;
- i. Petitioners failed to correct this violation from their previous exam;
- d. Failed to conduct a reasonable background investigation for each authorized delegate; specifically:
- i. Petitioners failed to conduct a background investigation for all of their authorized delegates at all times and failed to maintain records involving said investigations; and
- e. Failed to create the required records relating to transactions of \$1,000.00 dollars or more; failed to document the customers' occupation and current address for every transaction; and failed to include all required identification information; specifically:

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- i. Petitioners failed to keep and maintain adequate records of customers' identities; and
- ii. Petitioners failed to record the customers' occupations, signatures, and current residential addresses for all transactions.

4. Based upon the above findings, the Department issued and served upon ACE and Mr. Licciardello an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order ("Cease and Desist Order") on October 26, 2006.

5. On November 8, 2006, Petitioners filed a Request For Hearing to appeal the Cease and Desist Order.

CONCLUSIONS OF LAW

1. Pursuant to A.R.S. §§ 6-1201, *et seq.*, the Superintendent has the authority and the duty to regulate all persons engaged in the money transmitter business and with the enforcement of statutes, rules, and regulations relating to money transmitters.

2. By the conduct, set forth above, ACE and Mr. Licciardello violated the following:
- a. A.R.S. § 6-1205.01 by failing to maintain the statutorily net worth requirement at all times;
 - b. A.R.S. § 6-1207(C) by failing to prominently display their money transmitter license at each of their authorized delegates' locations;
 - c. A.R.S. § 6-1208(B) by failing to provide each authorized delegate with operating policies and procedures and the appropriate appendices sufficient to permit compliance with the provisions of Title 13, Chapter 23 and Title 6, Chapter 12;
 - d. A.R.S. § 6-1213(B) by failing to conduct a reasonable background investigation for each authorized delegate; and
 - e. A.R.S. § 6-1241(E) by failing to create the required records relating to transactions of \$1,000.00 dollars or more; failing to document the customers'

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occupation and current address for every transaction; and failing to include all required identification information.

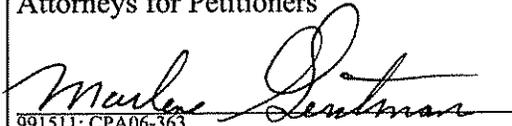
3. The violations, set forth above, constitute grounds for: (1) the issuance of an order pursuant to A.R.S. § 6-137 directing Petitioners to cease and desist from the violative conduct and to take the appropriate affirmative actions, within a reasonable period of time prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts, practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the suspension or revocation of Petitioners' license pursuant to A.R.S. § 6-1210; and (4) an order or any other remedy necessary or proper for the enforcement of statutes and rules regulating money transmitters pursuant to A.R.S. §§ 6-123 and 6-131.

ORDER

1. ACE and Mr. Licciardello shall immediately stop the violations set forth above in the Findings of Fact and Conclusions of Law. ACE and Mr. Licciardello:

- a. Shall maintain the statutorily net worth requirement at all times;
- b. Shall prominently display their money transmitter license at each of their authorized delegates' locations;
- c. Shall provide each authorized delegate with operating policies and procedures and the appropriate appendices sufficient to permit compliance with the provisions of Title 13, Chapter 23 and Title 6, Chapter 12;
- d. Shall conduct a reasonable background investigation for each authorized delegate; and
- e. Shall create the required records relating to transactions of \$1,000.00 dollars or more; shall document the customers' occupation and current address for every transaction; and shall include all required identification information.

1 Philip G. Mitchell, Esq.
JENNINGS HAUG & CUNNINGHAM
2 2800 N. Central Avenue, Suite 1800
Phoenix, AZ 85004-1049
3 Attorneys for Petitioners

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