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DEPT. OF FINANCIAL  
INSTITUTIONS

ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of the Money Transmitter License  
of:

No. 10F-BD043-BNK

**PNB REMITTANCE CENTERS, INC.**  
3345 Wilshire Boulevard, Suite 230  
Los Angeles, CA 90010

**CONSENT ORDER**

Petitioner.

On May 13, 2010, the Arizona Department of Financial Institutions ("Department") issued a Notice of Hearing, alleging that Petitioner had violated Arizona law. Wishing to resolve this matter in lieu of an administrative hearing, and without admitting liability, Petitioner consents to the following Findings of Fact and Conclusions of Law, and consents to the entry of the following Order.

**FINDINGS OF FACT**

1. Petitioner PNB Remittance Centers, Inc. ("PNB") is a California corporation authorized to transact business in Arizona as a money transmitter, license number MT 906423, within the meaning of A.R.S. §§ 6-1201, *et seq.* The nature of PNB's business is that of a money transmitter within the meaning of A.R.S. § 6-1201(11).

2. Rommel R. Garcia ("Mr. Garcia") is the President of PNB.

3. A September 14, 2009 through September 18, 2009 examination of PNB, conducted by the Department, revealed that PNB:

a. Failed to designate one of its locations in this state as its principal place of business; specifically:

i. Petitioner maintains "one or more places of business in this state" and has failed to designate one of the locations as its principal place of business. Petitioner has one branch location at 2941 W. Bell Rd., Suite 3, Phoenix, which is currently licensed as a branch office. This is currently the only business location maintained by Petitioner in this State and should be

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designated as the principal place of business and as such would not be a branch office;

b. Failed to follow the same prescribed procedures and create and maintain the same prescribed records relating to each transaction, pursuant to the Currency and Foreign Transactions Reporting Act (31 U.S.C. § 5325 and 31 Code of Federal Regulations part 103); specifically:

i. Petitioner filed an incomplete Suspicious Activity Report (“SAR”). The SAR reviewed failed to list the transactions involved in the suspicious activity. Complete instructions for completing the SAR, printed on the form, were not followed;

c. Failed to keep adequate records of customers’ identities for each transaction involving the transmission of money in an amount of one thousand dollars (\$1,000.00) or more as required by Title 6, Chapter 12; specifically:

i. A review of Petitioner’s transaction database for transactions of \$1,000 or more revealed that it failed to list the state of issuance for drivers licenses or identification cards in approximately twenty five (25) transactions; and

d. Failed to maintain records that reflect the provision of updated operating policies and procedures pursuant to A.R.S. § 6-1208(B) and of instruction that promotes compliance with Title 6, Chapter 12, Title 13, Chapter 23, and 31 United States Code Section 5318, including the identification of the provider and the material and instruction that were provided; specifically:

i. Petitioner failed to maintain a current policies and procedures manual. Its policies and procedures manual lacks instruction regarding the \$1000 record keeping requirements; and

ii. Petitioner has failed to create a record of instruction that promotes compliance with Title 6, Chapter 12, Title 13, Chapter 23 and 31 United

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States Code Section 5318, including the identification of the provider and the material and instruction that were provided.

4. Based upon the above findings, the Department issued and served upon Petitioner an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order (“Cease and Desist Order”) on March 25, 2010.

5. On April 22, 2010, Petitioner filed a Request for Hearing to appeal the Cease and Desist Order.

6. Petitioners have voluntarily agreed to take corrective action and have attempted to comply with the Department’s examination requirements.

7. These Findings of Fact shall also serve as Conclusions of Law.

**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, PNB violated the following:

- a. A.R.S. § 6-1207(A), by failing to designate one of its locations in this State as its principal place of business;
- b. A.R.S. § 6-1241(D), by failing to follow the same prescribed procedures and create and maintain the same prescribed records relating to each transaction, pursuant to the Currency and Foreign Transactions Reporting Act (31 U.S.C. § 5325 and 31 Code of Federal Regulations part 103), by demonstrated by its failure to file complete and accurate SARs;
- c. A.R.S. § 6-1241(E), by failing to keep adequate records of customers’ identities for each transaction involving the transmission of money in an amount of one thousand dollars (\$1,000.00) or more as required by Title 6, Chapter 12; and
- d. A.R.S. § 6-1241(G), by failing to maintain records that reflect the provision of

1 updated operating policies and procedures pursuant to A.R.S. § 6-1208(B) and of  
2 instruction that promotes compliance with Title 6, Chapter 12; Title 13, Chapter 23,  
3 and 31 United States Code Section 5318, including the identification of the provider  
4 and the material and instruction that were provided.

5 3. Pursuant to A.R.S. § 6-132, Petitioner's violations of the aforementioned statutes are  
6 grounds for a civil penalty.

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

15 **ORDER**

16 1. PNB shall immediately stop the violations set forth above in the Findings of Fact and  
17 Conclusions of Law. PNB shall:

- 18 a. Designate one of its locations in this State as their principal place of business;
- 19 b. File complete and accurate SARs; shall review, correct and resubmit all incomplete  
20 and inaccurate information previously filed SARs; and shall follow the same  
21 prescribed procedures and create and maintain the same prescribed records relating  
22 to each transaction, pursuant to the Currency and Foreign Transactions Reporting  
23 Act (31 U.S.C. § 5325 and 31 Code of Federal Regulations part 103),
- 24 c. Keep adequate and accurate records of customers' identities for each transaction  
25 involving the transmission of money in an amount of one thousand dollars  
26 (\$1,000.00) or more; and

1 d. Update its policies and procedures manual, conduct training to enable Petitioner to  
2 comply with the law, and maintain records that reflect the provision of updated  
3 operating policies and procedures pursuant to A.R.S. § 6-1208(B) and of instruction  
4 that promotes compliance with Title 6, Chapter 12; Title 13, Chapter 23, and 31  
5 United States Code Section 5318, including the identification of the provider and  
6 the material and instruction that were provided.

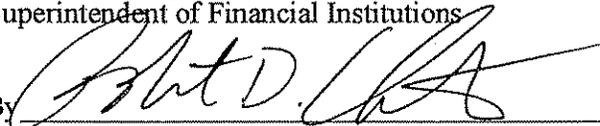
7 2. PNB shall comply with all Arizona statutes and rules regulating Arizona money  
8 transmitters (A.R.S. §§ 6-1201 *et seq.*).

9 3. PNB shall immediately pay to the Department a civil money penalty in the amount of  
10 **ten thousand dollars (\$10,000.00)**.

11 4. The provisions of this Order shall be binding upon Petitioner, its employees, agents, and  
12 other persons participating in the conduct of the affairs of Petitioner.

13 5. This Order shall become effective upon service, and shall remain effective and  
14 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,  
15 or set aside.

16 SO ORDERED this 25 day of August, 2010.

17 Lauren W. Kingry  
18 Superintendent of Financial Institutions  
19 By   
20 Robert D. Charlton  
21 Assistant Superintendent of Financial Institutions

22 **CONSENT TO ENTRY OF ORDER**

23 1. Petitioner acknowledges that it has been served with a copy of the foregoing Findings of  
24 Fact, Conclusions of Law, and Order in the above-referenced matter, has read the same, is aware of  
25 its right to an administrative hearing in this matter, and has waived the same.

26 2. Petitioner admits the jurisdiction of the Superintendent and consents to the entry of the  
foregoing Findings of Fact, Conclusions of Law, and Order.

1 3. Petitioner states that no promise of any kind or nature has been made to induce it to  
2 consent to the entry of this Order, and that it has done so voluntarily.

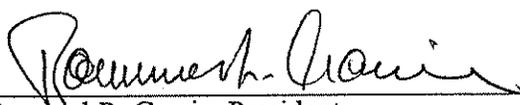
3 4. Petitioner agrees to cease from engaging in the violative conduct set forth above in the  
4 Findings of Fact and Conclusions of Law.

5 5. Petitioner acknowledges that the acceptance of this Order by the Superintendent is solely  
6 to settle this matter and does not preclude this Department, any other agency or officer of this state  
7 or subdivision thereof from instituting other proceedings as may be appropriate now or in the future.

8 6. Rommel R. Garcia, on behalf of PNB Remittance Centers, Inc., represents that he is the  
9 President and that, as such, has been authorized by PNB Remittance Centers, Inc. to consent to the  
10 entry of this Order on its behalf.

11 7. Petitioner waives all rights to seek judicial review or otherwise to challenge or contest the  
12 validity of this Order.

13 DATED this 19<sup>th</sup> day of August, 2010.

14 By   
15 Rommel R. Garcia, President  
16 PNB Remittance Centers, Inc.

17 ORIGINAL of the foregoing filed this 25<sup>th</sup>  
18 day of August, 2010, in the office of:

19 Lauren W. Kingry  
20 Superintendent of Financial Institutions  
21 Arizona Department of Financial Institutions  
22 ATTN: Susan Longo  
23 2910 N. 44th Street, Suite 310  
24 Phoenix, AZ 85018

25 COPY of the foregoing mailed/delivered same date to:

26 Craig A. Raby  
Assistant Attorney General  
Arizona Attorney General's Office  
1275 West Washington  
Phoenix, AZ 85007