

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Unlicensed Money
3 Transmitter Activity of:

4 **D TRADE, INC. and HASNAIN A. AGHA,
5 PRESIDENT**

6 3900 Paradise Road, Suite 212
Las Vegas, Nevada 89169

Respondents.

No. 15F-BD017-SBD

**ORDER TO CEASE AND DESIST;
NOTICE OF OPPORTUNITY FOR
HEARING; CONSENT TO ENTRY OF
ORDER**

7 The Superintendent of Financial Institutions for the State of Arizona ("Superintendent"),
8 makes the following Findings of Fact and Conclusions of Law and enters the following Order
9 pursuant to Arizona Revised Statutes ("A.R.S.") § 6-137.

10 Pursuant to Titles 6 and 41 of the Arizona Revised Statutes and Title 20, Chapter 4 of the
11 Arizona Administrative Code ("A.A.C."), Respondents are hereby notified that they are entitled to a
12 hearing to contest the allegations set forth in this Order. The Request for Hearing shall be filed with
13 the Arizona Department of Financial Institutions ("Department") pursuant to A.R.S. § 6-137(D)
14 within **thirty (30) days** of service of this Order and shall identify with specificity the action or order
15 for which review is sought in accordance with A.R.S. § 41-1092.03(B).

16 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or
17 her own behalf or by counsel. If Respondents are represented by counsel, the information required
18 by A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a
19 Request for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for
20 hearing in accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request**
21 **reasonable accommodations such as interpreters, alternative formats, or assistance with**
22 **physical accessibility.** Requests for special accommodations must be made as early as possible to
23 allow time to arrange the accommodations. If accommodations are required, call the Office of
24 Administrative Hearings at (602) 542-9826.

25 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.
26 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled

1 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an
2 Informal Settlement Conference is requested, a person with the authority to act on behalf of the
3 Department will be present (“Department Representative”). Please note that in requesting an
4 Informal Settlement Conference, Respondents waive any right to object to the participation of the
5 Department Representative in the final administrative decision of this matter, if it is not settled. In
6 addition, any written or oral statement made by Respondents at such informal settlement conference,
7 including written documentation created or expressed solely for purposes of settlement negotiations,
8 is inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules
9 regarding informal settlement conferences.) Conversely, any written or oral statement made by
10 Respondents outside an Informal Settlement Conference is not barred from being admitted by the
11 Department in any subsequent hearing.

12 If Respondents do not request a hearing, this Order shall become final. If Respondents
13 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
14 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the
15 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time
16 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,
17 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S.
18 § 6-132; and (3) an order or any other remedy necessary or proper for the enforcement of statutes
19 and rules regulating money transmitters pursuant to A.R.S. §§ 6-123 and 6-131.

20 **FINDINGS OF FACT**

21 1. Respondent D Trade, Inc. (“D-Trade”), formerly known as “Dinar Trade, Inc,” is a
22 foreign corporation registered to transact business in Arizona since on or about July 23, 2012, which
23 is not and was not, at any time material herein, authorized to transact business in Arizona as a money
24 transmitter or foreign money exchanger within the meaning of A.R.S. §§ 6-1201, *et seq.*¹ The nature

25 ¹ A.R.S. § 6-1201(11) defines the term “money transmitter” to include “a person who is located or doing
26 business in this state, including . . . a foreign money exchanger, and who does any of the following: (a) Sells
or issues payment instruments. (b) Engages in the business of receiving money for the transmission of or

1 of D-Trade's business is that of a money transmitter or a foreign money exchanger within the
2 meaning of A.R.S. §§ 6-1201(5), (6), (11), (13) and (17) and 6-1202(A).

3 2. Respondent Hasnain A. Agha ("Mr. Agha") is a President of D-Trade and is not and
4 was not, at any time material herein, authorized to transact business in Arizona as a money
5 transmitter within the meaning of A.R.S. §§ 6-1201, *et seq.*

6 3. D-Trade and Mr. Agha (collectively "Respondents") are not exempt from licensure as
7 a money transmitter within the meaning of A.R.S. §§ 6-1203.

8 4. On or about November 4, 2013, the Department received a Money Transmitter
9 application from D-Trade, wherein Respondents disclosed that they were previously found in
10 violation of financial services-related regulations or statutes.

11 5. On or about December 20, 2013, the Department sent a letter to Respondents
12 requesting additional information and, specifically, asking: "According to the Arizona Corporation
13 Commission (ACC) you have been registere[d] to do business under this company name since 2012.
14 Have you done any Arizona business under this company that would have required a license with
15 this agency? If yes, please provide a written explanation." Respondent stated: "D Trade, Inc. has
16 sold and purchased currency to residents of Arizona prior to receiving a currency exchange/money
17 transmitter license. When D Trade first began to sell to Arizona residents, the owner of the
18 company, Hasnain Agha, was not aware of the need for licensure for his business in the state."
19 Subsequently, or on about March 5, 2014, the Department sent an email to Respondents' counsel
20 asking for "the list of business that was Arizona unlicensed activity," in response to which
21 Respondents disclosed a list showing 1,652 unlicensed activity transactions in the amount of
22 exchanged currency of \$1,617,424.20 from April 20, 2012 through February 13, 2014.

23 6. Respondents also submitted financial statements to the Department reporting revenue
24 transmitting money. (c) Engages in the business of exchanging payment instruments or money into any form
25 of money or payment instrument. . . ." Further, A.R.S. § 6-1201(6) defines the term "foreign money
26 exchange" as "exchanging for compensation money of the United States government or a foreign government
to or from money of another government at a conspicuously posted exchange rate at the time and place of the
presentation of the money to be exchanged."

1 from the re-sale of dinars.

2 7. The Department's records indicate that Respondents are not and have not been
3 licensed by the Department as a money transmitter or a foreign money exchanger.

4 8. On or about March 13, 2014, the Department issued a letter to Respondents
5 requesting information and a response regarding possible unlicensed money transmitter activity in
6 the state of Arizona. The letter requested that Respondents provide the information to the
7 Department by March 28, 2014.

8 9. On or about March 19, 2014, the Department received a letter from Douglas DiMedio
9 of Drohan Lee, Respondents' counsel, in response to the Department's letter of March 13, 2014,
10 acknowledging that Mr. Agha "had been operating in Arizona prior to obtaining the proper
11 licensure," and informing the Department that D-Trade "sold foreign bank notes to customers in
12 Arizona through Internet and phone orders—thus constituting currency exchanging," but explaining
13 that Mr. Agha was unaware at the time of the licensing requirements, but, immediately upon
14 discovering those, took steps to ensure compliance.

15 10. Upon information and belief, Respondents have utilized and may be continuing to
16 utilize an interactive website(s), through which D-Trade holds itself out to the public as a foreign
17 currency exchanger and is able to provide services throughout the United States, including Arizona.

18 11. On or about July 14, 2014, D-Trade's representative contacted the Department
19 seeking to withdraw D-Trade's money transmitter license application.

20 12. These Findings of Fact shall also serve as Conclusions of Law.

21 CONCLUSIONS OF LAW

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

25 2. The conduct of D-Trade and Mr. Agha as set forth above constitutes that of engaging
26 in the business of a money transmitter in the state of Arizona within the meaning of A.R.S. §§ 6-

1 1201 and 6-1202(A), without having first applied for and obtained a money transmitter license
2 pursuant to Chapter 6, Title 12, in violation of A.R.S. § 6-1202(A).

3 3. Respondents do not meet any of the exemptions to the licensing requirements set
4 forth in A.R.S. § 6-1203.

5 4. Pursuant to A.R.S. § 6-132, Respondents' violations of the aforementioned statutes
6 are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation
7 for each day.

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

15 ORDER

16 1. Respondents shall immediately stop all money transmitter activity in Arizona until
17 such time as Respondents have obtained a money transmitter license from the Superintendent as
18 prescribed by A.R.S. § 6-1202. Further, Mr. Agha shall provide an affidavit attesting that D-Trade
19 has ceased from engaging in unlicensed activity in Arizona and describing procedures and steps
20 taken to ensure that Arizona consumers do not and will not have access to D-Trade's product and
21 services through D-Trade's website or otherwise, until such time when D-Trade applies for and
22 obtains a money transmitter license issued by the Department.

23 2. D-Trade and Mr. Agha shall immediately pay to the Department a civil money
24 penalty in the amount of **seventy-five thousand dollars (\$75,000.00)**. D-Trade and Mr. Agha are
25 jointly and severally liable for payment of the civil money penalty

26 3. D-Trade and Mr. Agha shall comply with all Arizona statutes and rules regulating

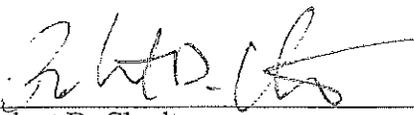
1 Arizona money transmitters (A.R.S. §§ 6-1201, *et seq.*).

2 4. The provisions of this Order shall be binding upon Respondents, their employees,
3 agents, and other persons participating in the conduct of the affairs of Respondents.

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

7 SO ORDERED this 19th day of August, 2014.

8 Lauren Kingry
9 Superintendent of Financial Institutions

10 By: 
11 Robert D. Charlton
12 Assistant Superintendent of Financial Institutions

13 **CONSENT TO ENTRY OF ORDER**

14 1. Respondents acknowledge that they have been served with a copy of the foregoing
15 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the
16 same, are aware of their right to an administrative hearing in this matter, and have waived the same.

17 2. Respondents admit the jurisdiction of the Superintendent and consent to the entry of
18 the foregoing Findings of Fact, Conclusions of Law, and Order.

19 3. Respondents state that no promise of any kind or nature has been made to induce
20 them to consent to the entry of this Order, and that they have done so voluntarily.

21 4. Respondents agree to immediately cease from engaging in the violative conduct set
22 forth in the Findings of Fact and Conclusions of Law.

23 5. Respondents acknowledge that the acceptance of this Agreement by the
24 Superintendent is solely to settle this matter and does not preclude this Department, any other agency
25 or officer of this state or subdivision thereof from instituting other proceedings as may be
26 appropriate now or in the future.

1 Hasnain Agha, President
2 21584 Paseo Serra
3 Malibu, CA 90265
4 Respondent

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6 2338 W. Royal Palm Rd., Suite J
7 Phoenix, AZ 85021-9339
8 Statutory Agent for
9 D Trade, Inc.

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11 Drohan Lee LLP
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15 Attorneys for Respondents

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