

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Money Transmitter License of:

No. 07F-BD016-BNK

3 **MOTRAN SERVICES, INC. AND ESTEBAN**
4 **DE LA PAZ, PRESIDENT**
13210 Florence Ave.
Santa Fe Springs, CA 90670

CONSENT ORDER

5
6 Petitioners.

7 On September 12, 2006, the Arizona Department of Financial Institutions ("Department")
8 issued a Notice of Hearing alleging that Petitioners had violated Arizona law. Wishing to resolve
9 this matter in lieu of an administrative hearing, Petitioners do not contest the following Findings of
10 Fact and Conclusions of Law, and consent to the entry of the following Order.

11 FINDINGS OF FACT

12 1. Petitioner Motran Services, Inc. ("Motran") is a California corporation authorized to
13 transact business in Arizona as a money transmitter, license number MT-0905252, within the
14 meaning of A.R.S. §§ 6-1201, *et seq.* The nature of Motran's business is that of a money transmitter
15 within the meaning of A.R.S. § 6-1201(11).

16 2. Petitioner Esteban De La Paz ("Mr. De La Paz") is the President of Motran and is
17 authorized to transact business in Arizona as a money transmitter within the meaning of A.R.S.
18 §§ 6-1201, *et seq.*

19 3. An onsite examination of Motran, conducted by the Department from April 4 through
20 April 6, 2006, and the subsequent authorized delegate visits conducted from April 13 and 14th of
21 2006, revealed that Motran and Mr. De La Paz:

- 22 a. Failed to prominently display its authorized delegate notice, as prescribed by the
23 Superintendent, at Jugos y Licuados Arcoiris, 1512 W. Bell Rd., Phoenix, AZ;
- 24 b. Failed to provide each authorized delegate with complete operating policies and
25 complete procedures sufficient to permit compliance with the provisions of Title 13,
26 Chapter 23 and Title 6, Chapter 12;

- i. None of the examined authorized delegates have an anti-money laundering (“AML”) program relating to transactions; and
- ii. Petitioners failed to employ and provide adequate AML training to all of its authorized delegates; and
- c. Failed to keep adequate records of customers’ identities, occupations, social security numbers, residences, and signatures involving transactions of \$1,000.00 dollars or more; specifically:
 - i. A review of 655 transactions revealed that several authorized delegate’s addresses were falsely entered and falsely used as the customer’s “current residential address” in all of the transactions reviewed.

4. Based upon the above findings, the Department issued and served upon Motran and Mr. De La Paz an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order (“Cease and Desist Order”) on July 31, 2006.

5. On August 25, 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, Motran and Mr. De La Paz violated the following:
 - a. A.R.S. § 6-1207(C) by failing to prominently display its authorized delegate notice, as prescribed by the Superintendent, at an authorized delegate location;
 - b. A.R.S. § 6-1208(B) by failing to provide each authorized delegate with operating policies and procedures sufficient to permit compliance with the provisions of Title 13, Chapter 23 and Title 6, Chapter 12; and
 - c. A.R.S. § 6-1241(E) by failing to keep adequate records of customers’ identities,

1 occupations, social security numbers, residences, and signatures involving
2 transactions of \$1,000.00 dollars or more.

3 3. Petitioners violated an applicable law, rule, or order, which is grounds for license
4 suspension or revocation pursuant to A.R.S. § 6-1210(5).

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

13 **ORDER**

14 1. Motran and Mr. De La Paz shall immediately stop the violations set forth above in the
15 Findings of Fact and Conclusions of Law. Motran and Mr. De La Paz:

- 16 a. Shall prominently display their authorized delegate notices, as prescribed by the
17 Superintendent, at authorized delegate locations;
- 18 b. Shall provide each authorized delegate with operating policies and procedures
19 sufficient to permit compliance with the provisions of Title 13, Chapter 23 and Title
20 6, Chapter 12; and
- 21 c. Shall keep adequate records of customers' identities, occupations, social security
22 numbers, residences, and signatures involving transactions of \$1,000.00 dollars or
23 more.

24 2. Motran Services, Inc. and Mr. De La Paz shall immediately pay to the Department a civil
25 money penalty in the amount of **five thousand dollars (\$5,000.00)**. Motran Services, Inc. and Mr.
26 De La Paz are jointly and severally liable for payment of the civil money penalty.

