



**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE AGENCY ACTION NO. 2021-AH-0021**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

KAAH INTERNATIONAL, LLC

RESPONDENT

**FINAL ORDER DENYING APPLICATION FOR RENEWAL OF MONEY
TRANSMITTER LICENSE**

The Department of Financial Institutions (“DFI”) is responsible for administering the provisions of Kentucky Revised Statutes (“KRS”) Chapter 286.11, as well as any applicable rules, regulations and Orders entered pursuant to KRS 286.11. Pursuant to KRS 286.11-019(1), the Commissioner of the DFI enters this Final Order denying the renewal application of Respondent Kaah International, LLC (“Kaah”) for license renewal as a money transmitter.

FINDINGS OF FACT

1. On December 1, 2020, the DFI’s Division of Non-depository Institutions received an application from Kaah for renewal of their registration as a money transmitter pursuant to KRS 286.11-021.
2. Financial information provided in required quarterly money services businesses “MSB” call reports demonstrated Kaah did not meet the minimum net worth requirement of \$500,000 in the first, second, and third quarters of 2020, as required by KRS 286.11-011. Specifically, the documentation indicated Kaah had a net worth of \$13,397 in the first quarter of 2020, \$39,543 in the second quarter of 2020, and \$18,000 in the third quarter of 2020.

3. The DFI received a cancellation notice from Hartford Fire Insurance Company on June 18, 2020, stating the surety bond for \$500,000 held by Kaah would expire on July 15, 2020. DFI did not receive any documentation after this date to indicate Kaah had maintained or obtained the required security bond. Further, Kaah did not provide any documentation as part of their application for renewal to demonstrate that they had obtained the required surety bond.

4. On April 21, 2021, the Non-depository division of DFI mailed a Notice of Intent to Enter Denial of Money Transmitter License Renewal Application to Kaah. The notice was sent via certified mail, return receipt requested to Respondent's business address, 7101 MLK Jr. Way South, Suite 202 Seattle, WA 98118. The notice explained that the Commissioner would enter a Final Order denying the application for license renewal as a money transmitter unless Kaah withdrew the application or made a written request for hearing within twenty (20) days of service of the notice.

5. USPS Tracking information (#70181830000064271673) indicates Kaah received this notice on April 26, 2021.

6. More than twenty (20) days have passed since Kaah's receipt of this notice; Kaah has not responded to this notice or withdrawn their request for renewal.

STATUTORY AUTHORITY

7. Pursuant to KRS 286.11-19(1) "[u]pon the filing of a complete application, the commissioner shall investigate the competence, experience, character, financial condition, and responsibility of the applicant... The commissioner shall review each application on a case-by-case basis. If the commissioner finds that the applicant has the competence, experience, character, financial condition, and responsibility, and has fulfilled the requirements of this subtitle, then the commissioner shall issue a license to the applicant authorizing the applicant to engage in the

licensed activities in this state. If any of these requirements has not been met, then the commissioner shall deny the application, in writing setting out the reason for the denial.”

8. Pursuant to KRS 286.11-011, “each licensee under this subtitle shall at all times have a net worth of not less than five hundred thousand dollars (\$500,000), calculated in accordance with generally accepted accounting principles.”

9. Pursuant to KRS 286.11-013(1), each application shall be accompanied by a surety bond or other similar security acceptable to the commissioner, in the amount of at least five hundred thousand dollars (\$500,000). The commissioner may increase the amount of the surety bond, or other similar security, to a maximum of five million dollars (\$5,000,000), upon the basis of the financial condition of an applicant, as evidenced by net worth, transaction volume, or other relevant criteria that the commissioner may establish by order or rule.”

10. Pursuant to KRS 286.11-013(4) “[a] licensee shall at all times maintain a surety bond, or other similar security acceptable to the commissioner, in the amount and type required under subsections (1) and (2) of this section. The commissioner may, at any time, accept a substitute or replacement surety bond, or other acceptable similar security, from the licensee, provided that the requirements of subsections (1) and (2) are met.”

CONCLUSIONS OF LAW

11. Kaah failed to maintain sufficient net worth in accordance with the requirements of KRS 286.11-011. The Commissioner of the DFI finds that - pursuant to KRS KRS 286.11-019 (1) - this failure to maintain sufficient net worth is grounds for denial of Kaah’s application for renewal of their money transmitter license.

12. Kaah failed to maintain an adequate surety bond in accordance with the requirements of KRS 286.11-013(1). The Commissioner of the DFI finds - pursuant to KRS 286.11-019(1) - this failure to maintain an adequate surety bond is grounds for denial of Kaah's application for renewal of their money transmitter license.

ORDER

13. **THEREFORE**, based upon the foregoing findings of fact and conclusions of law, the Commissioner hereby **ORDERS** that Kaah International, LLC's application for renewal of their money transmitter license is **DENIED**.

14. This is a **FINAL AND APPEALABLE ORDER**. The **EFFECTIVE DATE** of this order shall be the date reflected on the certificate of service attached to this order.

IT IS SO ORDERED on this the 9th day of September 2021.

/s/ Charles A. Vice
CHARLES A. VICE
COMMISSIONER

**Charles
A. Vice**

Digitally signed by: Charles A. Vice

DN: CN = Charles A. Vice email = charles.vice@ky.gov C = US O = Dept. of Financial Institutions OU = PPC/DFI/Commissioner

Date: 2021.09.09 12:08:49 -05'00'

Certificate of Service

I hereby certify that a copy of the foregoing **Final Order** was sent by certified mail return receipt requested on this the 15th day of September, 2021, to the following:

Mr. Carab Axmed
Kaah International, LLC
7101 MLK Jr. Way South, Suite 202
Seattle, WA 98118

And hand delivered to:

Kathryn Adams-Cornett
Staff Attorney
Department of Financial Institutions
500 Mero Street, 2SW19
Frankfort, KY 40601

Kentucky Department of Financial Institutions

Name: Allison Reed / Kyra Johnson

Title: Executive Staff Advisor