

COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-914

OFFICE OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

CONSENT ORDER

NORTH AMERICAN MONEY ORDER COMPANY, INC.

RESPONDENT

** ** ** **

FINDINGS OF FACT

1. On or about November 9, 2007, the Office of Financial Institutions ("Office") received an application from the North American Money Order Company, Inc. ("North American") to conduct money transmission business in the Commonwealth of Kentucky. North American sells money orders through its approximately 100 agents in Kentucky.
2. It was self reported by North American at that time that it had been selling money orders in this Commonwealth without a license since September 30, 2006. North American had been licensed under the Sale of Checks Act, KRS 366, et seq., which was replaced by the Kentucky Money Transmitter Act of 2006 ("KMTA") in July 2006. The KMTA required all licensees under the Sale of Checks Act to become licensed as a money transmitter by September 30, 2006.
3. North American admits that from October 1, 2006 through December 11, 2007 it sold 167,506 money orders totaling \$15,311,593.00 to Kentucky residents without having a money transmitter license.

4. KRS 286.11-005 states that “[o]n or after October 1, 2006, no person shall engage in the business of money transmission in this state without a license, or without being an agent of a licensee, as provided in this subtitle.”

5. KRS 286.11-047 states that “[t]he executive director may levy a civil penalty against a person that violates any provision...The civil penalty shall not be less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) per day for each day the violation is outstanding, plus the state’s costs and expenses for the examination, investigation, and prosecution of this matter, including reasonable attorney’s fees and court costs.”

6. KRS 286.11-049 states that “[t]he executive director may enter into a consent order with another person at any time, in order to resolve a matter arising under this subtitle.”

CONCLUSIONS OF LAW

North American is in violation of KRS 286.11-005 by transacting money order business in this Commonwealth without having a money transmitter license.

AGREEMENT

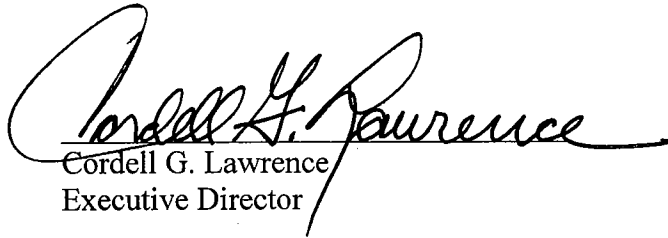
1. North American agrees that it is in violation of KRS 286.11-005.

2. North American agrees to further cease and desist from conducting money order business in the future without first having a money transmitter license as required by the KMTA.

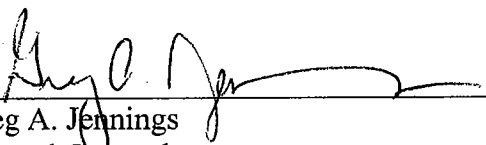
3. North American agrees to forthwith pay a civil penalty in the amount of ten thousand dollars (\$10,000) to the Commonwealth of Kentucky for its violation of KRS 286.11-005 for the period of time described herein upon execution of this Consent Order.

4. North American acknowledges the jurisdiction and venue of the Office over this matter.
5. In regards to this matter, North American voluntarily agrees to waive its right to a hearing where it would be entitled to be represented by legal counsel and to confront and cross examine any witnesses, and to present evidence on its own behalf.
6. North American acknowledges that this Consent Order is an administrative action which may be required to be reported to other state or federal regulatory authorities.
7. Finally, North American agrees that this Consent Order will be a matter of public record and may be disseminated as such.

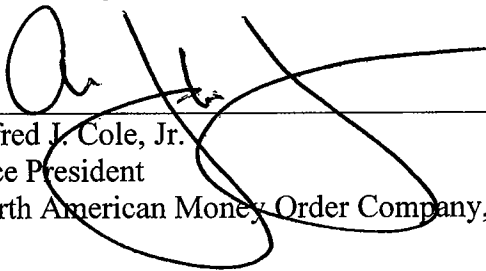
IT IS SO ORDERED this the 13th day of December, 2007


Cordell G. Lawrence
Executive Director

Consent to:




Greg A. Jennings
General Counsel



Alfred J. Cole, Jr.
Vice President
North American Money Order Company, Inc.

CERTIFICATION

This is to certify that a copy of the above executed Consent Order was on this the 17th day of December, 2007, mailed, first class postage prepaid, to Alfred J. Cole, Vice President, North American Money Order Company, Inc., P.O. Box 1208, Alpharetta, Georgia 30009.



Greg A. Jennings
General Counsel