

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2013-AH-0106



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

V.

OBOPAY, INC.

RESPONDENT

AGREED ORDER

1. The Department of Financial Institutions (“DFI”) is responsible for for regulating and licensing entities engaged in the business of money transmission in accordance with the provisions set forth in KRS Chapter 286.11 and applicable regulations.

2. Obopay, Inc. (“Respondent”) is a licensed money transmitter authorized to do business in Kentucky, with a principal office at 204 N. Shoreline Blvd., Suite 230, Mountain View, CA 94043.

3. In September 2012, during the normal course of money transmitter renewal applications, DFI contacted Respondent to request additional documentation to complete Obopay’s renewal application. Respondent acknowledged the request but did not provide the additional documentation at that time.

4. On December 5, 2012, Respondent’s compliance manager, Mr. Shenay Torpis, in an effort to clarify the previously requested items, notified DFI that Respondent had been acquired by another company on November 11, 2012.

5. This change of control constitutes a violation of KRS 286.11-025, which requires the licensee to do the following:

- a. A licensee shall give the commissioner written notice of a proposed change of control within fifteen (15) days after learning of the proposed change of control and at least thirty (30) days prior to the proposed change of control.
 - b. A licensee shall file a written request for approval of the acquisition with the commissioner. A licensee shall also submit, with the notice, a nonrefundable fee of one hundred dollars (\$100).
6. The Respondent did not satisfy either of these requirements prior to the change in control, thereby violating the statute.
7. On January 3, 2013, DFI was notified by John Kothanek, Senior Director of US Operations, Risk and Compliance that the Respondent had been sold erroneously on November 11 and the Respondent was working to correct the error.
8. As of January 31, 2013, control was transferred back to the original shareholder.
9. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, the imposition of fines in an amount up to \$5,000 per violation per day and settlement. *See KRS 286.11.*
10. The DFI and Respondent, in the interest of economically and efficiently resolving this matter, agree as follows:
 - a. Respondent agrees to a fine assessment in the amount of two thousand five hundred dollars (\$2,500.00) for the violation(s) described herein;
 - b. Respondent agrees to and shall pay the total fine assessed herein of two thousand five hundred dollars (\$2,500.00), which shall be due when Respondent signs and returns the Agreed Order. The payment shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial

Institutions, Attn: Katherine W. Ross, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

c. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.11.

11. Respondent waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Agreed Order.

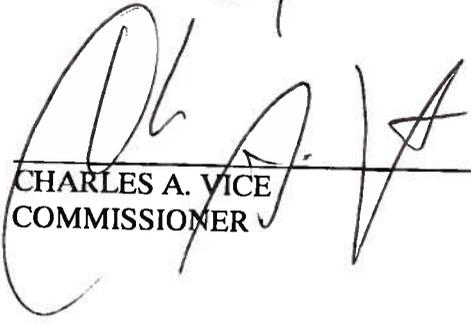
12. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

13. In consideration of execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

14. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

15. This Agreed Order shall constitute the Final Order in this matter.

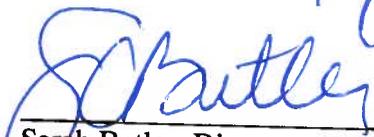
IT IS SO ORDERED on this the 30 day of May, 2013.

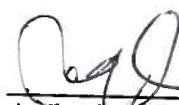

CHARLES A. VICE
COMMISSIONER

Consented to:

This 28 day of May, 2013.

This 22 day of May, 2013.


Sarah Butler, Director
Division of Non-Depository Institutions
Department of Financial Institutions


Authorized Representative
Obopay, Inc.

ACKNOWLEDGEMENT

STATE OF _____)
COUNTY OF _____)

On this the _____ day of _____, 2013, before me _____, the undersigned, _____, did personally appear and acknowledge himself/herself to be the authorized representative of Obopay, Inc. and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

State of California
County of Santa Clara
My Commission Expires: _____
On 22nd day of May, 2013 before me, Michelle J. Choi, Notary Public
personally appeared Rodney Robinson

who proved to me on the basis of satisfactory evidence to be the person(s) who name(s) _____
did subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument, the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

Notary Public

I certify under PENALTY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature: Michelle J. Choi