

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Complainant,

vs

ASSOCIATED FOREIGN EXCHANGE, INC.

Respondent

Docket No. 2017-12-02

AGREEMENT AND ORDER

The Director of the Department of Finance (DOF), pursuant to the authority under the Idaho Money Transmitters Act, Idaho Code § 26-2901, *et seq.*, has reasonable grounds to believe that violations of the Idaho Money Transmitters Act (“Act”) have occurred. The Director and Associated Foreign Exchange, Inc. have agreed to resolve this matter without a public hearing or adjudication of this matter. Therefore, the Director deems it appropriate and in the public interest, that this Agreement and Order be entered, and Respondent consents to the entry of this Agreement and Order.

RESPONDENT

1. Associated Foreign Exchange, Inc. (Respondent) is a California corporation that presently maintains money-transmitting licenses in thirty-three states and has money transmission applications pending in seven others, including Idaho. Respondent’s principal office and mailing address is 21045 Califa Street, Woodland Hills, California, 91367.
2. The Respondent filed articles of organization in California on April 18, 2006, as a corporation with Associated Foreign Exchange Holdings, Inc. the majority stockholder.

3. Respondent is in the for-profit business as a full service money transmitter and foreign currency exchanger.

FINDINGS OF FACTS

4. On May 24, 2017, Respondent submitted an application for a money transmitter license in the State of Idaho. The Respondent self-disclosed unlicensed money transmission activity occurring in Idaho at the time of application. The unlicensed activity disclosed by the Respondent covers the years 2007-2012, and includes 137 money transmission transactions totaling \$2,357,223.92 with earned fee income of \$1,443.00.

5. Respondent represents that management had previously sought legal guidance from its attorneys, who determined the Respondent's business model did not require a money transmission license. Based on this advice, Respondent held a good-faith belief that such licenses further obviated the need for money transmission licenses in other jurisdictions.

VIOLATIONS

6. Idaho Code §26-2903(1), of the Act, provides that "no person except a person exempt pursuant to the provisions of section §26-2904, the Act, shall engage in the business of money transmission without a license as provided in accordance with the provisions of the Act.

7. Respondent is not an exempt person under Idaho Code §26-2904, or any other law or rule.

8. The Respondent violated the Idaho Money Transmitters Act (IMTA) from 2007-2012. Idaho Code §26-2923(1) provides for a civil penalty of one thousand dollars (\$1,000) for each day that the violation continues, but not to exceed twenty-five thousand dollars (\$25,000) in the aggregate can be ordered.

REMEDIES

9. Respondent admits to the Complainant's findings of facts and conclusions of law. To economically and efficiently resolve the pending dispute; the parties agree to this Agreement and Order in lieu of other proceedings.

10. Respondent represents that management has brought its money transmission activities into compliance with the Act. In the event that Respondent commits future violations of the Act or fails to adhere to the terms of this Order, Respondent acknowledges that Complainant can incorporate the allegations giving rise to this Order in any future proceeding.

11. Respondent agrees to immediately pay a fine of \$1,000 to the Complainant.

12. Respondent agrees to operate in compliance with the IMTA once a license is issued to the Respondent.


DATED this 17 day of August, 2017.



Jan Vlietstra – Chief Executive Officer
Associated Foreign Exchange, Inc.

IT IS SO ORDERED

DATED this 22nd day of August, 2017.



MARY E. HUGHES, Acting Director
Idaho Department of Finance

