

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

In the matter of
VENDENGINE, INC.

Docket No. 2020-12-01.
AGREEMENT AND ORDER

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

RESPONDENT

1. VendEngine, Inc. is a Tennessee corporation that presently maintains money-transmitting licenses in eighteen states and has applications for money transmission licensure pending in three other states, including Idaho. Respondent’s principal office and mailing address is 1000 Health Park Drive, Suite 470, Brentwood, Tennessee, 37027.

2. Respondent filed articles of organization in Tennessee on April 15, 2011, as a corporation.

3. Respondent is in the for-profit business as a money transmitter operating to facilitate payments in state, county, and municipal correctional facilities.

BACKGROUND

4. On May 15, 2017, the Idaho Department of Finance (“the Department”) provided the Respondent a letter of opinion stating the Respondent’s business model, as presented, required a money transmitter license to provide money transmission services to inmates in custody of correctional facilities located in the State of Idaho.

5. On September 9, 2019, Respondent submitted an application to the Department for money transmitter licensure in the State of Idaho.

6. As part of its routine application review process, the Department requested Respondent disclose any prior unlicensed money transmission activity in Idaho or certify an absence thereof.

7. On December 30, 2019, Respondent disclosed thirty (30) transactions involving money transmission in, to, or from Idaho occurring between October 29, 2016 to November 2, 2019, totaling \$1,512.20, for which it received \$185.85 in fees.

8. The Department has never received a complaint regarding the Respondent’s business.

FINDINGS OF FACTS

9. On September 9, 2019, Respondent submitted an application for a money transmitter license to the State of Idaho.

10. Respondent conducted the following thirty (30) transactions constituting money transmission activity in Idaho without appropriate licensure or exemption therefrom:

Transaction Date	Transaction Time	Total Transaction Amount	Transaction Type
10/29/16	16:50:01 pm CDT	\$30.00	Phone
11/02/16	17:45:11 pm CDT	\$15.00	Phone
12/01/16	14:15:22 pm CDT	\$40.00	Phone
12/15/16	19:22:38 pm CDT	\$42.01	Phone
01/02/17	16:23:53 pm CDT	\$40.00	Phone
01/15/17	15:41:41 pm CDT	\$46.01	Phone
01/20/17	11:29:58 am CDT	\$18.01	Phone
02/03/17	15:17:25 pm CDT	\$60.00	Phone
03/04/17	15:58:41 pm CDT	\$65.00	Phone
04/03/17	11:13:36 am CDT	\$45.00	Phone
05/01/17	15:21:07 pm CDT	\$40.00	Phone
06/05/17	20:48:50 pm CDT	\$40.00	Phone
07/03/17	23:57:52 pm CDT	\$50.01	Phone
08/03/17	18:55:50 pm CDT	\$45.00	Phone
08/19/17	21:37:09 pm CDT	\$58.30	Internet
08/19/17	21:40:21 pm CDT	\$58.30	Internet
09/01/17	17:38:22 pm CDT	\$50.01	Phone
09/02/17	21:36:21 pm CDT	\$58.30	Internet
09/10/17	18:08:47 pm CDT	\$58.30	Internet
09/24/17	15:21:40 pm CDT	\$50.00	Internet
11/16/17	12:19:45 pm CDT	\$58.30	Internet
03/04/18	13:42:55 pm CDT	\$112.41	Internet
03/17/18	13:57:32 pm CDT	\$58.30	Internet
04/02/18	00:23:17 am CDT	\$112.41	Internet
06/28/19	19:14:49 pm EST	\$57.77	Internet
07/16/19	17:48:12 pm CDT	\$20.00	Internet
07/16/19	17:48:12 pm CDT	\$20.00	Internet
10/07/19	22:03:03 pm CDT	\$25.41	Internet
10/07/19	22:03:03 pm CDT	\$25.41	Internet
11/02/19	20:52:40 pm CDT	\$112.94	Internet

CONCLUSIONS OF LAW

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

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

13. The Respondent violated the Act on thirty occasions between October 29, 2016 to November 2, 2019. Nineteen of those transactions occurred after Respondent was provided a written opinion from the Department on the requirements of a money transmitter license.

14. Idaho Code § 26-2923(1) provides for a civil penalty of one thousand dollars (\$1,000) for each violation, or in the case of continued violation 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

15. Respondent neither admits nor denies the allegations set forth herein. Nevertheless, Respondent desires to cooperate with the Department in order to resolve this matter, and to avoid the time and expense of administrative litigation.

16. Respondent waives its right to notice and opportunity for hearing on this matter provided by the Idaho Code § 26-2923 and under the contested case provisions of the Idaho Administrative Procedures Act, Section 67-5240 through 5249, Idaho Code. Respondent further waives its right to seek judicial review of this order.

17. Respondent represents that the information provided to the Department in its investigation of this matter is complete and accurate.

18. Respondent represents that it shall immediately cease and desist from violating the Idaho Money Transmitters Act, specifically the unlicensed business of money transmission.

19. Respondent represents that once licensed it will be operating in full compliance of the Idaho Money Transmitters Act. In the event that Respondent commits future violations of the Idaho Money Transmitters Act or fails to adhere to the terms of this Agreement and Order, Respondent acknowledges that the Department may reference this Agreement and Order in any future proceedings.

20. Respondent agrees to pay a civil penalty of two thousand five hundred dollars (\$2,500.00) to the Department for the violations of the Act, pursuant to Idaho Code 26-2923. Said civil penalty is to be paid not later than thirty (30) days from the date the Director executes this Order. Payment shall be made payable to the "Idaho Department of Finance."

21. Respondent agrees to operate in compliance with the Act.

22. Respondent enters into this Agreement and Order voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by any member, officer, employee, agent, or representative of the Department to induce it to enter into this Agreement and Order.

AGREED TO and ACKNOWLEDGED this 24th day of January, 2020.

Kevin Burke
VENDENGINE, INC.
BY: Kevin Burke
ITS: COO

IT IS SO ORDERED

DATED this 30th day of January, 2020.

Patricia R. Perkins
PATRICIA R. PERKINS, Director
Idaho Department of Finance

