

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

In the matter of

PAYLOCITY CORPORATION,

Docket No. 2020-12-08

AGREEMENT AND ORDER

The Department of Finance, acting through its Securities Bureau (“Department”), pursuant to 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. Paylocity Corporation (“Respondent”) and the Department have agreed to resolve this matter without a public hearing or adjudication of this matter. Therefore, the Director of the Department (“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. Respondent has been an Illinois corporation since May 6, 1998. Respondent’s principal office and mailing address is 1400 American Lane, Schaumburg, IL 60173.
2. Respondent is a for-profit business operating as a provider of payroll and human capital management software solutions, including payroll processing services, to U.S. clients most of which are medium-sized organizations that employ between 20 and 1,000 employees.

**BACKGROUND**

3. On March 3, 2020, the Department sent an inquiry to Respondent requesting information regarding its business plan, flow of funds, and details regarding transactional information involving Idaho businesses and consumers.

4. On June 19, 2020, Respondent provided the requested business plan, flow of funds, and a summary of business conducted in Idaho. The unlicensed activity disclosed by the Respondent occurred January 1, 2019 to June 4, 2020 with transactions totaling \$639,420,081.14.

5. The Department has never received a complaint regarding the Respondent's business.

#### **FINDINGS OF VIOLATION**

6. Idaho Code § 26-2903(1) 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."

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

8. Respondent operated as an unlicensed money transmitter in violation of the Act from January 1, 2016 to January 24, 2020.

9. Idaho Code § 26-2923(1) provides that the Director may order a civil penalty of up to 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, not to exceed twenty-five thousand dollars (\$25,000) in the aggregate.

#### **ACKNOWLEDGMENT AND REMEDIES**

10. To economically and efficiently resolve the pending dispute, the parties agree to this Agreement and Order in lieu of other proceedings.

11. Respondent admits the foregoing facts and Findings of Violation.

12. Respondent waives its right to notice and opportunity for hearing on this matter provided by Idaho Code § 26-2923 and under the contested case provisions of the Idaho

Administrative Procedures Act at Title 67, Chapter 52, Idaho Code. Respondent further waives its right to seek judicial review of this Agreement and Order. The terms contained in this Order herein constitute the entire agreement between the Department and Respondent.

**13.** Respondent represents that the information provided to the Department in its investigation of this matter, and in the course of the licensing application review process, is complete and accurate.

**14.** Respondent represents it will be operating in full compliance with the Act in the future. In the event that Respondent commits future violations of the Act, or fails to adhere to the terms of this Agreement and Order, Respondent acknowledges the Department can incorporate the facts and findings giving rise to this Order in any future proceedings.

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15. Respondent agrees to pay a civil penalty of twenty thousand dollars (\$20,000.00) 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."

AGREED TO and ACKNOWLEDGED this 9<sup>th</sup> day of December, 2020.

  
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PAYLOCITY CORPORATION

BY: Andrew Capporelli  
VICE PRESIDENT and  
CHIEF ACCOUNTING OFFICER

  
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PATRICIA HIGHLEY, Securities Bureau Chief  
Idaho Department of Finance

**IT IS SO ORDERED**

DATED this 16 day of December, 2020.



  
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PATRICIA R. PERKINS, Director  
Idaho Department of Finance