

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

In the matter of

UPHOLD HQ INC.,

Respondent.

Docket No. 2020-12-06

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. Uphold HQ Inc. (“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 Uphold HQ Inc. has been a South Carolina corporation since March 31, 2014. Respondent’s principal office and mailing address is 6 West 18th St, New York, New York, 10011. Respondent’s National Multi Licensing System (“NMLS”) number is 1269875.

2. Respondent provides financial services to enable clients to transmit, convert, hold, and use funds, including fiat currencies, digital assets, and commodities in the United States.

**BACKGROUND**

3. On March 8, 2016, Respondent was approved for an Idaho money transmitter license.

4. On December 26, 2016, Respondent submitted its annual money transmitter license renewal application via the NMLS. During the Department’s review of the renewal application

and supporting documentation, it was noted that insufficient net worth was reported in the Respondent's 2015 audited financial statement.

5. On January 3, 2017, the Department requested additional documentation and information to ensure compliance with the requirements of Idaho Code § 26-2905, which addresses the net worth requirements for licensees. Respondent's response failed to evidence improvement in Respondent's net worth.

6. On February 27, 2017, Respondent surrendered its Idaho money transmitter license through NMLS. The Department approved Respondent's surrender request on that same date.

7. Respondent has reapplied for an Idaho money transmitter licensure, with its application being deemed completed on September 11, 2020.

8. As part of the application review, the Department requested confirmation that Respondent did not conduct money transmitter activity in Idaho without licensure. In connection with this request, Respondent disclosed unlicensed money transmission activity which occurred from February 27, 2017 to September 9, 2020, involving three thousand seven hundred and eighty-eight (3,788) transactions totaling \$1,622,479.78.

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

#### **FINDINGS OF VIOLATIONS**

10. 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."

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

12. Respondent operated as an unlicensed money transmitter in violation of the Act from February 27, 2017 to September 9, 2020. Respondent continued to conduct money transmission activities even after surrendering its Idaho money transmitter license.

13. Idaho Code § 26-2923(1) provides that the Director may order civil penalties of up to one thousand dollars (\$1,000) for each violation of the Act, or in the case of continued violation, one thousand dollars (\$1,000) for each day the violation continues, but not to exceed twenty-five thousand dollars (\$25,000) in the aggregate.

#### ACKNOWLEDGMENT AND REMEDIES

14. Respondent neither admits nor denies the allegations set forth herein. Nevertheless, in order to resolve this matter, and avoid the time and expense of litigation, the parties agree to entry of this Agreement and Order in lieu of other proceedings.

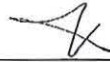
15. Respondent waives its right to notice and opportunity for hearing on this matter provided by Idaho Code § 26-2923 and under the contested case provisions of the Idaho Administrative Procedures Act, Idaho Code § 67-5240 *et seq.* Respondent further waives its right to seek judicial review of this order. The terms contained in this Order constitute the entire agreement between the Department and Respondent.

16. 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.

17. 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 that the Department can incorporate the facts and findings giving rise to this Order in any future proceedings.

18. Respondent agrees to pay a civil penalty of twenty-five thousand dollars (\$25,000.00) 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 16th day of December, 2020.



UPHOLD HQ INC.

BY: Juan Pablo Thieriot

DATED this 17 day of December, 2020.

  
PATRICIA HIGHLEY, Securities Bureau Chief  
Idaho Department of Finance

**IT IS SO ORDERED**

DATED this 17 day of December, 2020.



PATRICIA R. PERKINS, Director  
Idaho Department of Finance

