

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

In the matter of

KRONOS SAASHR, INC., and
UKG Inc. (formerly The Ultimate Software
Group, Inc.)

Docket No. 2022-12-01

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. Kronos SaaShr, Inc. and UKG Inc. (“Respondents”) and the Department have agreed to resolve this matter without a public hearing or adjudication of this matter. 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 Respondents consent to the entry of this Agreement and Order.

BACKGROUND

1. Kronos SaaShr, Inc. (“Kronos”) is a Delaware corporation which presently maintains money transmitter licenses in ten states and has money transmitter license applications pending in three other states, including Idaho. Kronos filed articles of incorporation in Delaware on April 19, 2002. Kronos’s principal office and mailing address is 3040 Route 22 West, Suite 200, Branchburg, NJ, 08876. Kronos has been assigned National Multistate Licensing System (NMLS) company identification number 1698726.

2. UKG Inc., formerly The Ultimate Software Group, Inc. (“UKG”) is a Delaware corporation that previously held a temporary money transmitter license in Texas and was assigned

NMLS company identification number 1964613. UKG's principal office and mailing address is 2000 Ultimate Way, Weston, FL 33326.

3. Respondents are in business as providers of human capital management, workforce management, and payroll services for businesses in the United States. On April 1, 2020, UKG acquired Kronos Incorporated, which became a subsidiary of UKG. Kronos is a subsidiary of Kronos Incorporated, and now an indirect subsidiary of UKG. Following the acquisition, UKG and Kronos developed a transition plan to allow for the orderly and timely transition of all activities of UKG involving the movement of money to Kronos. Such transition was completed on October 14, 2021.

4. On May 11, 2021, Kronos, on its own initiative, submitted an application for a money transmitter license in the State of Idaho.

5. Respondents self-disclosed activity related to the payroll processing service occurring in Idaho prior to submitting an Idaho money transmitter license application. Kronos disclosed activity in Idaho for the period August 13, 2018, through June 30, 2021, involving six hundred twenty-two (622) transactions. Respondents also disclosed activity of UKG in Idaho for the period January 1, 2018, through June 30, 2021, involving seven hundred ninety (790) transactions.

6. The Department acknowledges that (i) Respondents demonstrated good faith in submitting an application for Kronos to become licensed as a money transmitter, and (ii) the Department has never received a complaint regarding the Respondents' businesses.

//

//

FINDINGS OF VIOLATIONS

7. 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.”

8. Respondents are not exempt entities identified under Idaho Code § 26-2904, or any other applicable law or rule.

9. The Respondents’ activities were in violation of the Act from at least April 1, 2016 through approximately June 30, 2021.

10. 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, but not to exceed twenty-five thousand dollars (\$25,000) in the aggregate.

ACKNOWLEDGMENT AND REMEDIES

11. To economically and efficiently resolve the matters set forth herein, the parties agree to this Agreement and Order in lieu of other proceedings.

12. Respondents neither admit nor deny the foregoing facts and Findings of Violations.

13. Respondents waive their 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. Respondents further waive their 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 Respondents.

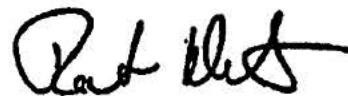
14. Respondents represent that the information provided to the Department in its investigation of this matter, and in the course of the licensing application review process, is complete and accurate.

15. Respondents represent they will operate in full compliance with the Act in the future. In the event that Respondents commit future violations of the Act or fails to adhere to the terms of this Agreement and Order, Respondents acknowledge the Department can incorporate the facts and findings giving rise to this Order in any future proceedings. Nothing in this Agreement and Order shall prohibit Respondent from obtaining a money transmission license from the Department.

16. Respondents agree to pay a civil penalty totaling ten thousand dollars (\$10,000.00) 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."

17. This Agreement and Order shall be the sole enforcement action or other recourse for the Respondents' prior activity related to its payroll processing services in Idaho through the date Kronos' money transmission license is granted by the Department. Nothing herein shall be construed to limit Respondents' rights to contest any future finding or determination of non-compliance.

AGREED TO and ACKNOWLEDGED this 27th day of June,
2022.



Kronos SaaShr, Inc.
BY: Robert DelPonte
ITS
(TITLE) President



UKG, Inc.

BY: Elizabeth McCarron

ITS (TITLE) Chief Legal Officer

DATED: 6/27/22



PATRICIA HIGHLEY, Securities Bureau Chief
Idaho Department of Finance

IT IS SO ORDERED

DATED this 28th day of June, 2022.



PATRICIA R. PERKINS, Director
Idaho Department of Finance

