

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

In the matter of:

S & W PAYROLL SERVICES, L.L.C.,
d/b/a Netchex

Docket No. 2022-12-06

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. S & W Payroll Services, L.L.C. (“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 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.

BACKGROUND

1. Respondent is a limited liability company organization in Louisiana on May 23, 2003. Respondent’s principal office and mailing address is 1155 Highway 190 E Service Road Suite 200, Covington, LA 70433. Respondent presently maintains money transmitter licenses in three states and has money transmitter license applications pending in two other states, including Idaho.

2. Respondent is in business as a provider of human capital management, workforce management, and payroll services for small to medium sized businesses in the United States.

3. As part of the Department's review of Respondent's Idaho money transmitter license application, the Department requested confirmation Respondent had not conducted money transmitter activity in Idaho without licensure.

4. The Respondent self-disclosed unlicensed money transmission activity related to its processing of payroll for businesses located in Idaho, occurring from at least January 1, 2018, through March 21, 2022.

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

FINDINGS OF VIOLATIONS

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. The Department finds that Respondent is not an exempt entity identified under Idaho Code § 26-2904, or any other applicable law or rule.

8. The Department finds that Respondent's business activities were conducted in violation of the Act from at least January 1, 2018, through at least March 21, 2022.

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

ACKNOWLEDGMENT AND REMEDIES

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

11. Respondent neither admits nor denies the foregoing facts and Finding of Violation, however, to resolve the pending dispute economically and efficiently, the parties agree to this Agreement and Order in lieu of other proceedings.

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 they will operate 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.

15. Respondent agrees to pay a civil penalty of ten thousand dollars (\$10,000.00) to the Department, 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."

16. This order shall be the sole enforcement action or other recourse for Respondent's previous unlicensed money transmission activity related to its payroll processing in Idaho between January 1, 2018, and March 21, 2022. Nothing herein shall be construed to limit Respondent's right to contest any future finding or determination of non-compliance.

AGREED TO and ACKNOWLEDGED this 11th day of October,

2022.

Timothy Schock
S & W Payroll Services, L. L. C.
BY: Timothy Schock
ITS: Chief Operations Officer

DATED: 10/11/2022

[Signature]
_____, Securities Bureau Chief
Idaho Department of Finance

IT IS SO ORDERED

DATED this 17th day of October, 2022.

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

