

NORTH  
**Dakota** | Financial Institutions  
Be Legendary.™

July 29, 2020

Abdulaziz M. Sugule  
President and Chief Executive Officer  
Olympic Financial Group, Inc.  
325 Cedar Avenue, Suite 7  
Minneapolis, MN 55454

Mr. Sugule,

The Department of Financial Institutions (DFI) received your response to our February 20, 2020, letter, which outlined recent activities of Olympic Financial Group, Inc. (OFG) revealing several violations of North Dakota Century Code (N.D.C.C.) ch.13-09. Your letter was dated April 2, 2020, and was received on April 6, 2020. Your responses illustrate a continued disregard or inability to comply with North Dakota laws and requirements, as well as federal Bank Secrecy Act (BSA) requirements.

To address your violation of N.D.C.C. § 13-09-15(2), which states in part: “[i]f licensees desiring to conduct licensed activities through authorized delegates shall authorize each delegate to operate pursuant to an express written contract, which, for contracts entered into after July 1, 2005, must provide the following: 2. [t]hat neither a licensee nor an authorized delegate may authorize subdelegates without the written consent of the commissioner,” you state that you personally contacted DFI and was informed that DFI allows such arrangement. You further state that you considered that call to be an “authorized guideline and directive received by us from the Department.” As clearly stated in N.D.C.C. § 13-09-15(2), such authorization can only be provided in writing by the Commissioner. Any directive OFG perceives from a phone call cannot go against North Dakota law and is not a justification for continually violating the law, including the lack of reporting this relationship for the years 2016-2019. This topic was also explicitly covered during the 2013 examination as evidenced by the violation cited in that report regarding your faulty agent agreement. The DFI has no record of you calling our office on this topic. Your response to our inquiry is unsatisfactory since it does not explain the ongoing failure to report OFG’s authorized delegate relationships in North Dakota despite OFG’s December 11, 2013, written correspondence indicating your understanding of extraordinary reporting requirements as specified in N.D.C.C. § 13-09-10. Your response shows a clear lack of attention to laws and written directives given in our examination reports and demonstrates a failure to follow through on your written commitments.

N.D.C.C. outlines expectations for authorized delegate relationships and agreements. Also, every money transmitter is required to register authorized delegates and use the nationwide multistate licensing system (NMLS) for reporting, which OFG has been able to utilize. Specific guidance is also given on NMLS, which clearly identifies all states that require authorized delegate reporting and includes detailed instructions for reporting. Furthermore, our money transmitter license application checklist maintained in NMLS also clearly discloses this requirement and provides a link to the NMLS authorized delegate reporting instructions for applicants to reference. For OFG to accurately report the Fargo authorized delegate every year but then indicate an inability to know the requirements for



Lise Kruse  
COMMISSIONER

Corey Krebs  
ASSISTANT COMMISSIONER

Ryan Spah  
CHIEF EXAMINER

Chris Ludwig  
NON-DEPOSITORY DIVISION SUPERVISOR

reporting and thus omitting the Grand Forks location for three years indicates an ongoing and willful disregard of North Dakota money transmitter requirements.

Your authorized delegate agreement continues to be in non-compliance with N.D.C.C. § 13-09-15(2). You have been notified of your non-compliant agreement in writing, both in 2013 and in our February 20, 2020, letter, yet you fail to correct it. You did, however, state that the ““delegate Agreement which Ms. Yussuf signed on December 2, 2019, as previously filed with the Department, contained a typographical error. This typographical error has been corrected and is reflected in the enclosed Agreement which would make Ms. Yussuf and Safari Market a full delegate...” In addition to the fact that your submitted contract is still not in compliance with N.D.C.C. § 13-09-15(2), it is extremely concerning that you would modify a contract after the respected parties have signed. Although the first page now contains Ms. Yussuf’s name, the contract has the same signature and signature date. You failed to execute a new contract and submitted to DFI a previously signed contract with the first page substituted, which raises serious concern on the contract’s enforceability. OFG’s pattern of operating with authorized delegate contracts that are not compliant with North Dakota law, and poorly executed, calls into question the ability and willingness of OFG to abide by the law.

Your response to the violation of N.D.C.C. § 13-09-11 in regards to extraordinary event reporting requirements, where OFG failed to notify the DFI of the small claims court judgment against Safari Market, states “Contemporaneously with the execution of the search warrant upon Safari Market, I called the Department of Financial Institutions and reported the issue.” This is a misleading statement. The small claims court date was August 29, 2019, and we should have received notification shortly thereafter. You refer to the search warrant executed on October 24, 2019, yet, the first call the DFI received from OFG regarding Safari Market was on December 4, 2019, more than three months after the court judgment and six weeks after the search warrant. That is not contemporaneously. Furthermore, the call on December 4, 2019, was limited to questions about authorized delegate license requirements. Although DFI was notified by other parties about the activities related to Safari Market, any such reporting is the responsibility of the licensee and should be done in writing.

The training records submitted indicates a violation of 31 CFR 1022.210(d)(3), due to inadequate training of your agents. OFG, as a licensed money transmitter and registered money service business (MSB) is required by 31 CFR 1022.210 to implement an effective anti-money laundering (AML) program. One pillar of this program is training. The material submitted does not give any indication this training is what was provided in 2019 or in any of the prior years, nor any certification to show the training was completed. No documentation was provided showing evidence of proper training of Safari Market operator Ms. Yussuf prior to 2019, despite operating under OFG’s purview. Since OFG has taken the responsibility of filing all forms required by the Financial Crimes Enforcement Network (FinCEN), even the “sub-delegates” should have received training in BSA compliance. Furthermore, the training documents are in English and this would be inadequate since you state that Ms. Yussuf’s English speaking skills are limited. This is a BSA pillar violation, in particular 31 CFR 1022.210(d)(3), which requires an MSB to “provide education and/or training of appropriate personnel concerning their responsibilities under the program, including training in the detection of suspicious transactions to the extent that the money services business is required to report such transactions under this chapter.” OFG has failed to ensure everyone conducting money transfers has received proper anti-money laundering training as required by 31 CFR 1022.210.

Your response to our request for “a description and verification of proper record keeping and any and all documents which demonstrate that there has been no commingling of funds or if funds are

commingled, that they are kept in trust at all OFG North Dakota authorized delegates” is unsatisfactory and inadequate. Your response is limited to a statement of what is in your agreement and your Chief Financial Officer’s oversight. The response does not describe or provide documentation to show how funds are not commingled or how OFG is otherwise in compliance with N.D.C.C. or how you verify your contract with authorized delegates is adhered to.

Our letter asked for “a description of all financial activities conducted at your authorized delegate locations. Include an explanation of whether other financial services are performed such as check cashing or lending.” Again, your response is lacking. You state that “we do not conduct check cashing or lending activities,” however, this question pertained to your authorized delegates, not OFG itself. You provide no documentation or verification that you have conducted research into what financial services your authorized delegates offer. Furthermore, a motion filed in District Court, Grand Forks County, on November 5, 2019, by Attorney David Clark Thompson, includes a “Evidence Inventory and Receipt” as Exhibit 1. This appears to list what the police obtained from Safari Market on October 24, 2019, and included “IOU slips from safe.” IOU slips would indicate that Safari Market is engaging in lending activity. Further licensure may be required to conduct this type of lending activity, and OFG’s failure to disclose this in their response is troubling. The presence of this lending activity is either further evidence that OFG’s control over authorized delegates is insufficient to ensure compliance with N.D.C.C., or that the response provided by OFG to the DFI was willfully inaccurate.

OFG is required under 31 CFR 1010.311 to file currency transaction reports (CTR) of any transaction which involves a transaction in currency of more than \$10,000. The list you submitted for North Dakota does not match what is reported as submitted to FinCEN. Of the 12 CTRs you list for 2018, three had a Minnesota address. Of the 11 you list for 2019, one had a New York address. A 11/20/2019 record indicates a North Dakota address; however, the CTR is incorrectly filed as Minnesota. Also, you did not include a 3/6/2019 transaction on your list. OFG is required under 31 CFR 1010.306(a)(2) to maintain records of all CTRs filed for five years, and since the list we asked for is inaccurate, your record keeping is not in compliance with legal requirements.

Our letter asked for “a list of names and addresses of all of the licensee’s authorized delegates for the last five years as required by N.D.C.C. § 13-09-14 and 31 CFR § 1022.380(d)(1).” As OFG should be aware, this requirement pertains to a list of all authorized delegates in all states. We expected to receive the list as required by FinCEN for the last five years, not the most recent year. This is a standard examination request item, and you providing a document showing the two authorized delegates in North Dakota only, does not satisfy this request. Furthermore, the list provided, although listing North Dakota authorized delegates only, does not contain information required by 31 CFR 1022.380(d)(2). The list does not contain phone number, type of service(s), depository institution at which the authorized delegate maintains a transaction account, or the year in which the authorized delegate first became an authorized delegate.

Finally, our letter requested “information related to any investigation OFG conducted into the Small Claims Court judgment against Safari Market. Include whether any action was taken by OFG, disciplinary or other, to ensure compliance and prevent future failures in executing transmittals.” Your response indicates that OFG met with Ms. Yussuf to discuss the matter. Ms. Yussuf provided you with a document from a foreign bank with a statement to support your authorized delegate. However, this document does not negate the fact that a court in the United States found Ms. Yussuf has violated the rights of a North Dakota customer. Additionally, you responded that you contacted Safari Market and its counsel after law enforcement questioned the legality of Safari Market’s money transmission

activities. This contact would have occurred after October 24, 2019, two months after the court case. This illustrates a complete lack of oversight over those OFG considers as authorized delegates. Also, you again state that you immediately communicated with DFI. As noted above, the only contact you had with the DFI was after another 6 weeks, on December 4, 2019, and only to discuss registering an authorized delegate, not your findings or investigation into this matter.

An MSB should implement procedures for handling non-compliance of authorized delegates. No procedures or documentation were provided to illustrate how authorized delegate due diligence or investigations are conducted or concluded. Waiting over two months to look into court action against someone OFG considered an authorized delegate shows a general disregard for the general public served by this person. Also, an interview does not suffice as thorough and adequate oversight, and a document from a foreign bank does not negate or trump the ruling of a Court in the United States. It appears you only conducted this interview, and never discussed the matter with the customer, rather you cite an alleged criminal record and alleged deportation status of a customer. This appears to be an effort to discredit the victim and the findings of the court. These assertions are irrelevant and show a breakdown in your process of reviewing authorized delegate behavior. The integrity of the Court within the United States and its findings must guide the actions of a Money Transmitter licensed to conduct business in North Dakota.

Your unsatisfactory response and continued noncompliance with various parts of N.D.C.C. § 13-09 and Federal anti-money laundering regulations are concerning. Please be reminded that N.D.C.C. § 13-09-25 lists out prohibited acts and practices, which includes, in part, failure to comply with this chapter, or failure to comply with federal law, the making of false statements, directly or indirectly making any untrue statement of a material fact or to omit to state a material fact, making any false or deceptive statement or representation, negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any information or reports filed with a governmental agency or in connection with any investigation conducted by the commissioner or another governmental agency. The activity described above is punishable as a class C felony as set forth in N.D.C.C. § 13-09-22.

Based on my review of all the information provided to DFI during its investigation of OFG and its compliance with North Dakota law with respect to money transmitters, I have determined that OFG's activity, as exhaustively described above, is in violation of N.D.C.C. § 13-09-17. Due to the Commissioner's determination that OFG, a licensee, has committed a violation of this chapter, the Commissioner orders OFG to cease and desist from conducting money transmission services in North Dakota. N.D.C.C. § 13-09-19. The Commissioner finds a cease and desist order is necessary to protect the public given OFG's numerous violations of North Dakota State law and is within the public interest. The terms of the cease and desist order are more fully set forth in the attached order. Please note that an order to cease and desist remains effective and enforceable pending the completion of any administrative proceeding. N.D.C.C. § 13-09-19(3). OFG has the right to appeal the issuance of the Commissioner's cease and desist order by filing a written appeal with the Commissioner within twenty (20) days of the date the order is served upon OFG. N.D.C.C. § 13-09-19(4).

Further, based on my review of all the information provided to DFI during its investigation of OFG and its compliance with North Dakota law with respect to money transmitters, I have determined that OFG's activity, as exhaustively described above, is in violation of N.D.C.C. § 13-09-17 and, therefore, I am

Olympic Financial Group, Inc.  
July 29, 2020  
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revoking OFG's license. Pursuant to N.D.C.C. § 13-09-17, OFG has the right to appeal the Commissioner's decision to revoke OFG's money transmitter license and request a hearing to be conducted in accordance with N.D.C.C. ch. 28-32. N.D.C.C. § 13-09-17(2). In order to properly perfect an appeal of this decision and request a hearing, OFG must file a written appeal with the Commissioner within twenty (20) business days of the date this order is served upon OFG. N.D.C.C. § 13-09-17(3). OFG's appeal must be addressed to Commissioner Kruse, Department of Financial Institutions, 2000 Schafer Street, Suite G, Bismarck, ND 58501. If OFG declines to appeal this decision, or it fails to timely appeal twenty (20) business days after service of this notice and order, the Commissioner will enter a final order permanently revoking OFG's license. N.D.C.C. § 13-09-17(3). Upon final revocation, OFG and any authorized delegates will be permanently unable to conduct money transmission activities in the State of North Dakota.

Sincerely,



I. Lise. Kruse  
Commissioner  
North Dakota Department of Financial Institutions

**STATE OF NORTH DAKOTA**

**DEPARTMENT OF FINANCIAL INSTITUTIONS**

IN THE MATTER OF OLYMPIC:  
FINANCIAL GROUP, INC. dba OFG, INC.

325 CEDAR AVE, SUITE 7  
MINNEAPOLIS, MN 55454

Respondent.

**ORDER FOR REVOCATION AND  
NOTICE OF RIGHT TO REQUEST  
A HEARING**

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**THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OF THE  
STATE OF NORTH DAKOTA TO THE ABOVE-NAMED RESPONDENT:**

The Commissioner of the Department of Financial Institutions (“the Department”) has a reasonable basis to believe that Olympic Financial Group, Inc. (“Respondent”) has engaged in, is engaging in, or is about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under North Dakota Century Code (N.D.C.C.) Chapter 13-09. It is necessary and appropriate in the public interest for the protection of citizens to restrain the unlawful acts, practices, or transactions of Respondents.

**WHEREAS:**

1. Pursuant to N.D.C.C. § 13-09-01, the Department is authorized to license money transmitters.
2. Pursuant to N.D.C.C. § 13-09-17, the Department is authorized to suspend or revoke a money transmitter’s license upon the Commissioner finding a violation of N.D.C.C. § 13-09-17(1)(a) – (l) has occurred.

3. Respondent's principal place of business is located at 325 Cedar Ave South, Ste. 7, Minneapolis, Minnesota.
4. Respondent is registered as a business corporation with the North Dakota Secretary of State, with an address listed as 325 Cedar Ave S. Ste 7, Abdulaziz Sugule, Minneapolis, Minnesota.
5. Respondent's registered agent in the State of North Dakota is Mohamud A. Hassan, 122 23<sup>rd</sup> St. S. Ste B, Fargo, North Dakota.
6. Respondent is engaged in the business of money transmission services in North Dakota under the corporate name of Olympic Financial Group, Inc. or under the tradename OFG, Inc.
7. In accordance with N.D.C.C. ch. 13-09, Respondent has been issued a license from the Department for money transmission services in North Dakota.
8. On February 20, 2020, the Department issued a letter notifying Respondent of the Department's intent to investigate Respondent's apparent violations of N.D.C.C. ch. 13-09. The Department requested Respondent to provide a written response to the alleged violations set forth in the Department's letter by March 10, 2020. The Department also made specific requests for documentation to Respondent.
9. Respondent failed to provide a response by March 10, 2020.
10. On March 17, 2020, the Department sent a second letter to Respondent requesting a written response along with specific documentation by no later than March 23, 2020. The Department notified Respondent that failure to

respond could result in further action, including revocation of Respondent's license.

11. On April 6, 2020, the Department received a written response with supporting documentation from Respondent.
12. In the course of its investigation, the Department reviewed Respondent's written response and supporting documentation.
13. The Department issued its findings regarding the alleged violations of N.D.C.C. ch. 13-09, considering Respondent's responses and documentation. Attached to this ORDER, is the Department's detailed findings of its investigation.

Based on the foregoing, and as specifically articulated in the Department's findings set forth at length in its letter to Respondent and attached hereto, the Department hereby finds the following violations have occurred:

14. Respondent operated with a subdelegate without prior written approval. This conduct is in violation of N.D.C.C. § 13-09-15(2).
15. Respondent operated, and continues to operate with a non-compliant, authorized delegate agreement despite notification from the Department of the non-compliance. This conduct is in violation of N.D.C.C. § 13-09-15(2).
16. Respondent failed to report material changes to the Commissioner of the Department, which included the addition of "sub-delegates" and a small claims court judgment against a "sub-delegate" related to money transmission. This conduct is in violation of N.D.C.C § 13-09-11.



17. Respondent failed to report to the Department a list of all locations on annual reports for 2016, 2017, and 2018. This conduct is in violation of N.D.C.C. § 13-09-10(2)(e).
18. Respondent failed to maintain an accurate record of Currency Transaction Reports filed, which is a violation of federal law and, therefore, a violation of state law. This conduct is in violation of 31 CFR § 1010.306(a)(2) and N.D.C.C. § 13-09-25(7).
19. Respondent failed to maintain an adequate list of authorized delegates in violation of federal and state laws. This conduct is in violation of 31 CFR § 1022.380(d)(1) and N.D.C.C. § 13-09-14.
20. Respondent failed to report adequate information on its authorized delegate list. This conduct is in violation of 31 CFR § 1022.380(d)(2) and N.D.C.C. § 13-09-25(7).
21. Respondent has failed to adequately train authorized delegates. This conduct is in violation of 31 CFR § 1022.210(d)(3) and N.D.C.C. §13-09-25(7).
22. Respondent engaged in the following prohibited acts and practices outlined in N.D.C.C. § 13-09-25, in that Respondent:
  1. Subscribes to, or makes or causes to be made, any material false statement or representation in any application or other document or statement required to be filed under any provision of this chapter, or to omit to state any material statement or fact necessary in order to make the statements made, in light of the circumstances under which the statements are made, not misleading;

2. Directly or indirectly, employs any device, scheme, or artifice to defraud or mislead any person;
3. Directly or indirectly, makes any untrue statement of a material fact or to omit to state a material fact;
4. Engages in any unfair or deceptive practice toward any person;
5. Conducts or solicits any business covered by this chapter without holding a valid license as required under this chapter or assist or aid and abet any person in the conduct of business under this chapter without a valid license as required under this chapter;
6. Fails to make disclosures as required by this chapter and any other applicable state or federal law and regulations;
7. Fails to comply with this chapter or rules adopted under this chapter or fails to comply with any other state or federal law, including the rules and regulations thereunder, applicable to any business authorized or conducted under N.D.C.C. ch. 13-09;
8. Makes, in any manner, any false or deceptive statement or representation;
9. Negligently makes any false statement or knowingly and willfully makes any omission of material fact in connection with any information or reports filed with a governmental agency or in connection with any investigation conducted by the commissioner or another governmental agency; and
10. Fails to truthfully account for moneys belonging to or collected from another.

Based upon the foregoing, the Commissioner has a reasonable basis to believe:

- a. Pursuant to N.D.C.C. § 13-09-19(1), Respondent has committed violations of the Money Transmitters Act, N.D.C.C. Chapter 13-09;
- b. Pursuant to N.D.C.C. §§ 13-09-17(a), 13-09-17(c), 13-09-17(d), and 13-09-17(j), any fact or condition exists that, if it had existed at the time when the licensee applied for its license, would have been grounds for denying such application; the licensee knowingly violates any material provision of this chapter or any rule or order validly adopted by the commissioner under authority of this title; the licensee is conducting its business in an unsafe or unsound manner; and the licensee willfully fails to make any report required by this chapter.

23. This Order is issued in the public interest and for the protection of money transmitter customers.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to N.D.C.C. § 13-09-17, that the license of Respondent Olympic Financial Group, Inc. d/b/a OFG Inc. is **REVOKED**, meaning respondents or its authorized delegates may not engage in any money transmission activities in the State of North Dakota.

#### **NOTICE OF RIGHT TO REQUEST A HEARING**

**YOU ARE NOTIFIED** that pursuant to N.D.C.C. § 13-09-17(2) you may request a hearing to be held pursuant to chapter 28-32 regarding the Department's intent to revoke Respondent's license. Your request must be made in writing to the Commissioner WITHIN TWENTY (20) BUSINESS DAYS OF THE DATE THIS ORDER IS SERVED UPON YOU. N.D.C.C. § 13-09-17(3). Failure to timely request a hearing within the above specified time frame, will result in the Commissioner entering a final order permanently **REVOKING** Respondent's license. N.D.C.C. § 13-09-17(3). If a request for hearing is timely elected and

a hearing is held and the commissioner finds that the record so warrants, the commissioner will enter a final order revoking Respondent's license. N.D.C.C. § 13-09-17(3).

Dated this 29<sup>th</sup> day of July, 2020.

STATE OF NORTH DAKOTA  
DEPARTMENT OF FINANCIAL INSTITUTIONS



By:

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Lise Kruse, Commissioner

**STATE OF NORTH DAKOTA**

**DEPARTMENT OF FINANCIAL INSTITUTIONS**

IN THE MATTER OF OLYMPIC:  
FINANCIAL GROUP, INC. dba OFG, INC.

325 CEDAR AVE, SUITE 7  
MINNEAPOLIS, MN 55454

Respondent.

**ORDER TO CEASE AND DESIST  
AND NOTICE OF RIGHT TO APPEAL**

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**THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OF THE  
STATE OF NORTH DAKOTA TO THE ABOVE-NAMED RESPONDENT:**

The Commissioner of the Department of Financial Institutions (“the Department”) has a reasonable basis to believe that Olympic Financial Group, Inc. (“Respondent”) has engaged in, is engaging in, or is about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under North Dakota Century Code (N.D.C.C.) Chapter 13-09. It is necessary and appropriate in the public interest for the protection of citizens to restrain the unlawful acts, practices, or transactions of Respondents.

**WHEREAS:**

1. Pursuant to N.D.C.C. § 13-09-01, the Department is authorized to license money transmitters.
2. Pursuant to N.D.C.C. § 13-09-19, the Department is authorized to issue cease and desist orders against licensees upon a determination that a licensee has committed a violation of N.D.C.C. ch. 13-09.
3. Respondent’s principal place of business is located at 325 Cedar Ave South, Ste. 7, Minneapolis, Minnesota.

4. Respondent is registered as a business corporation with the North Dakota Secretary of State, with an address listed as 325 Cedar Ave S. Ste 7, Abdulaziz Sugule, Minneapolis, Minnesota.
5. Respondent's registered agent in the State of North Dakota is Mohamud A. Hassan, 122 23<sup>rd</sup> St. S. Ste B, Fargo, North Dakota.
6. Respondent is engaged in the business of money transmission services in North Dakota under the corporate name of Olympic Financial Group, Inc. or under the tradename OFG, Inc.
7. In accordance with N.D.C.C. ch. 13-09, Respondent has been issued a license from the Department for money transmission services in North Dakota.
8. On February 20, 2020, the Department issued a letter notifying Respondent of the Department's intent to investigate Respondent's apparent violations of N.D.C.C. ch. 13-09. The Department requested Respondent to provide a written response to the alleged violations set forth in the Department's letter by March 10, 2020. The Department also made specific requests for documentation to Respondent.
9. Respondent failed to provide a response by March 10, 2020.
10. On March 17, 2020, the Department sent a second letter to Respondent requesting a written response along with specific documentation by no later than March 23, 2020. The Department notified Respondent that failure to respond could result in further action, including revocation of Respondent's license.

11. On April 6, 2020, the Department received a written response with supporting documentation from Respondent.
12. In the course of its investigation, the Department reviewed Respondent's written response and supporting documentation.
13. The Department issued its findings regarding the alleged violations of N.D.C.C. ch. 13-09, considering Respondent's responses and documentation. Attached to this ORDER, is the Department's detailed findings of its investigation.

Based on the foregoing, and as specifically articulated in the Department's findings, the Department hereby finds the following violations have occurred:

14. Respondent operated with a subdelegate without prior written approval. This conduct is in violation of N.D.C.C. § 13-09-15(2).
15. Respondent operated, and continues to operate with a non-compliant, authorized delegate agreement despite notification from the Department of the non-compliance. This conduct is in violation of N.D.C.C. § 13-09-15(2).
16. Respondent failed to report material changes to the Commissioner of the Department, which included the addition of "sub-delegates" and a small claims court judgment against a "sub-delegate" related to money transmission. This conduct is in violation of N.D.C.C § 13-09-11.
17. Respondent failed to report to the Department a list of all locations on annual reports for 2016, 2017, and 2018. This conduct is in violation of N.D.C.C. § 13-09-10(2)(e).
18. Respondent failed to maintain an accurate record of Currency Transaction Reports filed, which is a violation of federal law and, therefore, a violation of

state law. This conduct is in violation of 31 CFR § 1010.306(a)(2) and N.D.C.C. § 13-09-25(7).

19. Respondent failed to maintain an adequate list of authorized delegates in violation of federal and state laws. This conduct is in violation of 31 CFR § 1022.380(d)(1) and N.D.C.C. § 13-09-14.
20. Respondent failed to report adequate information on its authorized delegate list. This conduct is in violation of 31 CFR § 1022.380(d)(2) and N.D.C.C. § 13-09-25(7).
21. Respondent has failed to adequately train authorized delegates. This conduct is in violation of 31 CFR § 1022.210(d)(3) and N.D.C.C. §13-09-25(7).
22. Respondent engaged in the following prohibited acts and practices outlined in N.D.C.C. § 13-09-25, in that Respondent:
  1. Subscribes to, or makes or causes to be made, any material false statement or representation in any application or other document or statement required to be filed under any provision of this chapter, or to omit to state any material statement or fact necessary in order to make the statements made, in light of the circumstances under which the statements are made, not misleading;
  2. Directly or indirectly, employs any device, scheme, or artifice to defraud or mislead any person;
  3. Directly or indirectly, makes any untrue statement of a material fact or to omit to state a material fact;
  4. Engages in any unfair or deceptive practice toward any person;



5. Conducts or solicits any business covered by this chapter without holding a valid license as required under this chapter or assist or aid and abet any person in the conduct of business under this chapter without a valid license as required under this chapter;
6. Fails to make disclosures as required by this chapter and any other applicable state or federal law and regulations;
7. Fails to comply with this chapter or rules adopted under this chapter or fails to comply with any other state or federal law, including the rules and regulations thereunder, applicable to any business authorized or conducted under N.D.C.C. ch. 13-09;
8. Makes, in any manner, any false or deceptive statement or representation;
9. Negligently makes any false statement or knowingly and willfully makes any omission of material fact in connection with any information or reports filed with a governmental agency or in connection with any investigation conducted by the commissioner or another governmental agency; and
10. Fails to truthfully account for moneys belonging to or collected from another.

Based upon the foregoing, the Commissioner has a reasonable basis to believe:

- a. Pursuant to N.D.C.C. § 13-09-19(1), Respondent has committed violations of the Money Transmitters Act, N.D.C.C. Chapter 13-09;
- b. Pursuant to N.D.C.C. §§ 13-09-17(a), 13-09-17(c), 13-09-17(d), and 13-09-17(j), any fact or condition exists that, if it had existed at the time when the licensee applied for its license, would have been grounds for denying such application; the licensee knowingly violates any material provision of this chapter or any rule or

order validly adopted by the commissioner under authority of this title; the licensee is conducting its business in an unsafe or unsound manner; and the licensee willfully fails to make any report required by this chapter.

23. This Order is issued in the public interest and for the protection of money transmitter customers.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to N.D.C.C. § 13-09-19, that Respondent shall immediately **CEASE AND DESIST** from conducting money transmission services in the State of North Dakota. Money transmission is defined in N.D.C.C. § 13-09-02.13.

You may appeal the issuance of a cease and desist order by filing a written appeal with the Commissioner WITHIN TWENTY (20) DAYS of the date this Order is served upon you. N.D.C.C. § 13-09-19(4).

Dated this 29<sup>th</sup> day of July, 2020.

STATE OF NORTH DAKOTA  
DEPARTMENT OF FINANCIAL INSTITUTIONS



By:

\_\_\_\_\_  
Lise Kruse, Commissioner