

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

**IN RE:** )  
 )  
**ADP PACIFIC, INC.** ) **DOCKET NO. 19-027-B**  
 )  
 )

**STIPULATION AND CONSENT ORDER**

The Vermont Department of Financial Regulation (the “Department”) and ADP Pacific, Inc. (“Respondent”) hereby stipulate and agree as follows:

1. Pursuant to 8 V.S.A. Chapters 1, 72, and 79, the Vermont Commissioner of Financial Regulation is charged with administering and enforcing Vermont law as it pertains to money transmitters in the State of Vermont.
2. Respondent is a Delaware corporation formed on October 31, 1989. Respondent has never been licensed in Vermont as a money transmitter or in any other capacity.
3. Respondent’s principal place of business is located at 800 Delaware Avenue, Suite 601, Wilmington, Delaware 19801.
4. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.
5. Respondent established ADP Client Trust (the “Trust”), a Delaware statutory trust, in April 2017 and appointed a federal savings bank as trustee.
6. On February 1, 2018, the Trust assumed title to various deposit accounts at banking institutions into which funds of clients of Respondent’s affiliate entities are impounded for purposes of payroll, tax and related human capital management payment services.

7. On February 12, 2018, an affiliate of Respondent notified the Department of the Trust structure and asserted that because the trustee was a federal savings bank the arrangement was exempt from state money transmission licensing.

8. After reviewing the change in business operations, the Department concluded that Respondent was subject to regulation under the Vermont Money Services Act.

9. Vermont's Money Services Act provides that persons may engage in the business of money transmission only if they are (1) a licensee; (2) an authorized delegate of a licensee; or (3) excluded from the Money Services Act. 8 V.S.A. §§ 2501 – 2502.

10. Vermont's Money Services Act, 8 V.S.A. Chapter 79 defines "money transmission" to include, among other things, "*receiving* money or monetary value for transmission to a location within or outside the United States." 8 V.S.A. § 2500(11) (emphasis added).

11. The Department asserts that, from February 1, 2018 to September 3, 2019,<sup>1</sup> Respondent received money for transmission and engaged in the business of money transmission without the license or authorization required by 8 V.S.A. Chapter 79.

12. Respondent disagrees with the Department's position that it was engaged in unauthorized money services activities and with the Department's position that it satisfied the requirement that a money transmitter under the Vermont Money Services Act receives funds for transmission. As part of this Stipulation and Consent Order, Respondent neither admits nor denies the Department's allegation that it violated Vermont's money transmitter laws by engaging in money transmission without a license or authorization under Title 8, Chapter 79.

---

<sup>1</sup> On September 3, 2019, Respondent's affiliate ADP Trust Company, National Association became trustee of the Trust, and on May 20, 2020 the Senior Deputy Comptroller & Chief Counsel of the Office of the Comptroller of the Currency issued a letter confirming that any state law purporting to impose licensing requirements on the trustee's exercise of fiduciary powers is preempted by the National Bank Act.

13. The Department has not received any complaints stemming from Respondent's activities.

14. At all times, Respondent has cooperated with the Department.

15. The parties wish to resolve this matter without administrative or judicial proceedings.

16. Respondent and the Department agree to enter into this Stipulation and Consent Order in full and complete resolution of the alleged violations described herein.

17. Based on Respondents' alleged violation of Vermont's Money Services Act, the Department is authorized to assess a penalty not to exceed \$1,000 per day for each day the alleged violation continued up to June 30, 2019 and a penalty not to exceed \$10,000 per violation beginning July 1, 2019 until September 3, 2019. 8 V.S.A. §§ 2548, 2115 (Section 2548 repealed and replaced by section 2115 on July 1, 2019).

18. Respondent agrees to make a payment to the Department within ten (10) business days of the execution of this Stipulation and Consent Agreement in the amount of fifty thousand dollars (\$50,000.00) to resolve this matter.

19. Respondent shall not, either directly or through affiliates other than activities conducted by or through ADP Trust Company, National Association, engage in the business of money transmission in Vermont without a Vermont money transmitter license.

20. This Stipulation and Consent Order shall not prevent any person who is not a party hereto from pursuing any claim he or she may have against Respondent, nor shall it be understood as determining whether any such claim may or may not exist in law or equity. Nothing contained herein shall be deemed an admission by Respondent.

21. Nothing contained in this Stipulation and Consent Order shall restrain or limit the Department in responding to and addressing any complaint filed with the Department involving

Respondent, and the Department reserves the right to pursue restitution in connection with any complaint filed with the Department.

22. The Department and Respondent are entering into this Stipulation and Consent Order to settle a dispute between them and all agree that this Stipulation and Consent Order does not constitute an adjudication of a violation of statute or regulation.

23. Respondent hereby waives its statutory right to notice and a hearing before the Commissioner, or his designated appointee.

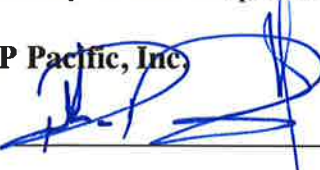
24. Respondent acknowledges and agrees that this stipulation is entered into freely and voluntarily and that except as set forth herein, no promise was made to induce Respondent to enter into it. Respondent acknowledges its understanding of and agrees to all terms, conditions, and obligations contained in this Stipulation and Consent Order.

25. The terms set forth in this Stipulation and Consent Order represent the complete agreement between the parties as to its subject matter.

26. The undersigned representative of Respondent affirms that he has taken all necessary steps to obtain the authority to bind Respondent to the obligations stated herein and has the authority to bind Respondent to the obligations stated herein.

ADP Pacific, Inc

By:



8/7/20

Date

Print name & title:

Robert W. Bennett

Director/Secretary

ACCEPTED BY:

Molly Dillon, Deputy Commissioner  
Banking Division, Vermont Department of Financial Regulation

Date

Respondent, and the Department reserves the right to pursue restitution in connection with any complaint filed with the Department.

22. The Department and Respondent are entering into this Stipulation and Consent Order to settle a dispute between them and all agree that this Stipulation and Consent Order does not constitute an adjudication of a violation of statute or regulation.

23. Respondent hereby waives its statutory right to notice and a hearing before the Commissioner, or his designated appointee.

24. Respondent acknowledges and agrees that this stipulation is entered into freely and voluntarily and that except as set forth herein, no promise was made to induce Respondent to enter into it. Respondent acknowledges its understanding of and agrees to all terms, conditions, and obligations contained in this Stipulation and Consent Order.

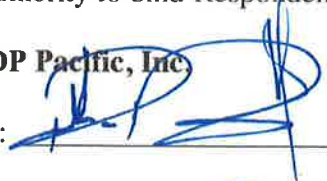
25. The terms set forth in this Stipulation and Consent Order represent the complete agreement between the parties as to its subject matter.

26. The undersigned representative of Respondent affirms that he has taken all necessary steps to obtain the authority to bind Respondent to the obligations stated herein and has the authority to bind Respondent to the obligations stated herein.

ADP Pacific, Inc

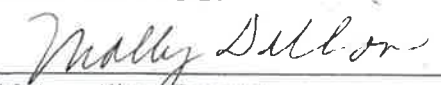
By:

Print name & title:

  
Robert W. Bennett Director/Secretary

8/7/20  
Date

ACCEPTED BY:

  
Molly Dillon, Deputy Commissioner  
Banking Division, Vermont Department of Financial Regulation

8/14/2020  
Date

## CONSENT ORDER

1. The stipulated facts, terms, and provisions of the Stipulation are incorporated by reference herein.
2. Jurisdiction in this matter is established pursuant to Chapters 1 and 79 of Title 8.
3. Pursuant to the Stipulation, Respondent consents to the entry of this Consent Order.
4. Respondent shall comply with all agreements, stipulations, and undertakings as recited above.

Dated at Montpelier, Vermont this 14 day of August 2020.



---

Michael S. Pieciak, Commissioner  
Vermont Department of Financial Regulation