

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

IN RE: OLYMPIC FINANCIAL GROUP, )	
INC. )	DOCKET NO. 22-020-B
NMLS # 901913 )	
VT LICENSE # 100-042 )	
)	

**STIPULATION AND CONSENT ORDER**

WHEREAS, the Vermont Department of Financial Regulation (“the Department”) asserts that Olympic Financial Group, Inc. (“Respondent”) has violated the banking laws as set forth below; and

WHEREAS, Respondent and the Department wish to resolve these violations without further administrative proceedings or litigation;

NOW, THEREFORE, Respondent and the Department stipulate and agree to the terms and conditions in this Stipulation and Consent Order.

**STATEMENT OF FACTS**

1. Respondent is a Minnesota corporation that was established in 2004.
2. Respondent’s principal place of business is 375 Cedar Avenue S., Suite 7, Minneapolis, MN 55454.
3. Respondent is a licensed money transmitter in Vermont and holds license # 100-042.
4. Respondent provides money transmission services in Vermont via an authorized agent located at 128 North Street, Burlington, VT 05401.
5. Respondent’s principal customer base in Vermont are members of the East African refugee communities in the greater Burlington area, a population that Respondent represents is unserved or underserved by other Vermont licensed money transmitters.

6. On July 29, 2020, the Commissioner of the North Dakota Department of Financial Institutions (“North Dakota Commissioner”) issued an order requiring Respondent to cease and desist conducting money transmission services in the state of North Dakota (“North Dakota Cease and Desist Order”).
7. On July 29, 2020, the North Dakota Commissioner also issued an order seeking to revoke Respondent’s North Dakota money transmitter license (“North Dakota Revocation Order”).
8. In the two orders issued against Respondent, the North Dakota Commissioner identified multiple violations by Respondent that occurred between the years of 2013 to 2020 of North Dakota’s statutes regulating money transmitters, including, but not limited to, operating with a subdelegate without prior written approval; operating with a non-compliant authorized delegate agreement; failing to report material changes and a list of all of its locations annually; failing to maintain an accurate record of all currency transaction reports filed; and failing to maintain an adequate list of authorized delegates, to report adequate information on the authorized delegate list, and to adequately train authorized delegates.
9. Respondent subsequently appealed the North Dakota Cease and Desist Order and requested a hearing on the North Dakota Revocation Order.
10. As no stay has been issued of the North Dakota Cease and Desist Order, it remains in effect pending the completion of the administrative proceedings pursuant to North Dakota Century Code § 13-09-19(3).
11. On June 22, 2021, Respondent filed a civil action against the North Dakota Department of Financial Institutions which remains pending before the North Dakota Supreme Court

and has resulted in continuation of the administrative proceedings on the North Dakota Cease and Desist Order and North Dakota Revocation Order.

12. On November 16, 2021, the Arizona Department of Insurance and Financial Institutions (“Arizona Department”) issued an order requiring Respondent to cease and desist conducting money transmission services in the state of Arizona through its then current authorized delegates and ordering Respondent to comply with all Arizona statutes and rules regulating money transmitters (“Arizona Cease and Desist Order”).
13. In the Arizona Cease and Desist Order, the Arizona Department identified several violations by Respondent of Arizona’s money transmitters statutes that commenced as early as 2013 and involved the failure of Respondent and its authorized delegates in Tucson and Phoenix to keep accurate and adequate records of its customers.
14. In the Arizona Cease and Desist Order, the Arizona Department also identified that the store manager for Respondent’s authorized delegate in Phoenix was convicted in 2021 of the federal felony of structuring transactions to evade reporting requirements, activities that occurred in 2019 while he was employed by Respondent’s authorized delegate.
15. Following Respondent’s inadvertent failure to timely renew its Arizona money transmitter license for the year 2022, its Arizona money transmitter license was suspended by operation of law on November 1, 2021 and expired on December 1, 2021.
16. On June 23, 2022, Respondent entered into a consent order with the Arizona Department in which Respondent acknowledged that it engaged in unlicensed money transmitter activity between November 1 and November 16, 2021, while Respondent’s Arizona

money transmitter license was unknowingly suspended by operation of law, and agreed to pay a \$1,500 civil penalty (“Arizona Consent Order”).

17. In the Arizona Consent Order, the Arizona Department indicated that that Respondent had been issued a new money transmitter license in May of 2022, under the same name and ownership of Respondent’s previously expired license, following Respondent’s creation of a remediation plan which included termination of its relationship with its Phoenix-located authorized delegate and the implementation of processes and procedures to ensure compliance of its Tucson-located authorized delegate’s money transmission activities.
18. As of June 22, 2022, Respondent had answered “no” to the following application disclosure question in the Nationwide Multistate Licensing System and Registry (“NMLS”): “In the past 10 years, has any State . . . regulatory agency . . . ever . . . found the entity . . . to have been involved in a violation of a financial services-related regulation(s) or statute(s)?”
19. As of June 22, 2022, Respondent had answered “no” to the following application disclosure question in NMLS: “In the past 10 years, has any State . . . denied, suspended, or revoked the entity’s or a control affiliate’s registration or license or otherwise, by order, prevented it from associating with a financial services-related business or restricted its activities?”
20. As of June 22, 2022, Respondent had answered “no” to the following application disclosure question in NMLS; “Is there a pending regulatory action proceeding against the entity or a control affiliate for any alleged violation described in (C) through (D)?”

21. As of June 22, 2022, Respondent had not disclosed in NMLS the North Dakota Cease and Desist Order, the North Dakota Revocation Order, the Arizona Cease and Desist Order, or the Arizona Consent Order.
22. On June 23, 2022, the Banking Division within the Department filed a Petition for Revocation of License requesting revocation of Respondent's Vermont money transmitter license due to material misstatements in Respondent's answers to the disclosure questions in NMLS and for failure to disclose administrative orders in NMLS ("Petition").
23. Following the filing of the Petition, Respondent retained new legal counsel experienced with state regulatory compliance, licensing, and money transmitter laws to assist Respondent with complying with Vermont's and other states' money transmitter laws.
24. On November 16, 2022, Respondent modified its answers to the disclosure questions in NMLS identified in paragraphs 18, 19, and 20 of this Stipulation and Consent Order to "yes" and disclosed a copy in NMLS of the North Dakota Cease and Desist Order, the North Dakota Revocation Order, the Arizona Cease and Desist Order, the Arizona Consent Order, and the Petition.
25. Respondent has addressed all outstanding information requests of the Banking Division and satisfied all outstanding items in NMLS required in order to be licensed in Vermont as a money transmitter, including submission of a renewal fee for 2022.
26. Respondent has provided the Banking Division with a copy of a Banking Secrecy Act/Anti-Money Laundering ("BSA/AML") audit of Respondent's money transmission activities for 2021 that was completed on November 21, 2022.

27. The Banking Division has not received any complaints stemming from Respondent's activities in Vermont.

**LEGAL STANDARDS AND DESCRIPTION OF VIOLATIONS**

28. The Commissioner is responsible for administering and enforcing the banking laws of the State of Vermont and is authorized to investigate banking activities to determine compliance with Vermont law and to issue orders imposing remedial actions pursuant to 8 V.S.A. §§ 10-13 and 2110.

29. Pursuant to 8 V.S.A. § 2102(c)(2) and (3), an applicant for a license, and renewal of such, issued pursuant to 8 V.S.A. Chapters 79 is required to provide to NMLS information concerning the applicant's identity, including information related to any administrative, civil or criminal findings by any governmental jurisdiction, as well as any other information required by NMLS.

30. Pursuant to 8 V.S.A. § 2108(a), a licensee is required to notify the Commissioner within 30 days of any material change to its application, principally through updating its application in NMLS.

31. By failing to disclose in NMLS within 30 days the North Dakota Cease and Desist Order, the North Dakota Revocation Order, the Arizona Cease and Desist Order, and the Arizona Consent Order, and by failing to timely amend its answers to each NMLS disclosure question responsive to such orders, Respondent violated 8 V.S.A. § 2102(c) and § 2108(a) by failing to timely notify the Commissioner of material changes in the information provided in Respondent's application for licensure.

## CONSENT ORDER

32. Within 90 calendar days of the entry of this Stipulation and Consent Order by the Commissioner, Respondent shall implement the six recommendations identified by the auditor in the BSA/AML audit dated November 21, 2022 covering Respondent's activities in 2021, and provide a certification to the Banking Division that each recommendation has been implemented.
33. By August 31, 2023, Respondent shall provide a copy to the Banking Division of a BSA/AML audit of Respondent's money transmission activities in 2022 completed by a qualified, independent auditor with no affiliation to Respondent.
34. Should Respondent's North Dakota money transmitter license be revoked following the conclusion of administrative proceedings in North Dakota:
  - a. Respondent shall have an opportunity to file a request pursuant to 8 V.S.A. § 2103(d) that the Commissioner waive the requirement in 8 V.S.A. § 2103(a)(3) necessary to hold a Vermont money transmitter license that an applicant, each officer, director, and responsible individual of, and each person in control of, the applicant, never have had a financial services license or similar license revoked in any governmental jurisdiction.
  - b. Should Respondent fail to file a request pursuant to subsection (a) of this paragraph within 30 days of revocation of Respondent's North Dakota money transmitter license, or should the Commissioner deny the request for a waiver, Respondent shall thereafter have 30 days to voluntarily surrender its license.

- c. Should Respondent fail to timely voluntarily surrender its license pursuant to subsection (b) of this paragraph, Respondent's Vermont money transmitter license # 100-042 shall be automatically revoked and its status changed to "Revoked" in NMLS.

- 35. The Banking Division withdraws the Petition filed in this docket.
- 36. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.
- 37. With respect to the facts and violations identified herein, Respondent waives its right to a hearing before the Commissioner or the Commissioner's designee and waives its right to all other administrative or judicial review otherwise available under Vermont law, including the rules of the Vermont Department of Financial Regulation and the provisions of 3 V.S.A., Chapter 25.
- 38. This Stipulation and Consent Order is entered into solely for the purpose of resolving the violations identified herein, is not intended for any other purpose, and does not constitute an admission of wrongdoing or liability on the part of Respondent for any other purpose.
- 39. Respondent understands all terms and conditions in this Stipulation and Consent Order, consents to the entry of this Stipulation and Consent Order, and acknowledges that its consent is given freely and voluntarily and that, except as set forth herein, no promise was made to induce Respondent's consent.
- 40. Noncompliance with any of the terms and conditions in this Stipulation and Consent Order shall be a violation of a lawful order of the Commissioner and a violation of the laws of the State of Vermont and may result in additional administrative or civil action




and the imposition of injunctive relief, sanctions, and additional penalties pursuant to applicable provisions of Title 8 of the Vermont Statutes Annotated, including provisions imposing enhanced penalties for knowing violations.

41. Nothing herein shall be construed as limiting the Commissioner's ability to investigate Respondent for violations not resolved herein or to respond to and address any consumer complaints made with regard to Respondent.
42. Nothing herein shall be construed as having relieved, modified, or in any manner affected Respondent's ongoing obligation to comply with all federal, state, or local statutes, rules, and regulations applicable to Respondent.
43. Nothing herein shall be construed as limiting any private right of action a person may have.
44. This Stipulation and Consent Order shall be governed by and construed under the laws of the State of Vermont.

SIGNATURES

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to. I certify under the pains and penalties of perjury that I have taken all necessary steps to obtain the authority to bind Olympic Financial Group, Inc. to this Stipulation and Consent Order and that I have been duly authorized to enter into this Stipulation and Consent Order on behalf of the named Respondent.

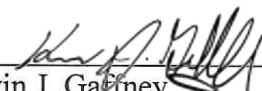
OLYMPIC FINANCIAL GROUP, INC.

By:  02/07/2023  
Date  
Printed name: Abdulaziz Sugule  
Title: President

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The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated, agreed to, and ordered.

DEPARTMENT OF FINANCIAL REGULATION

By:  02/10/2023  
Date  
Kevin J. Gaffney  
Commissioner of Financial Regulation  
Vermont Department of Financial Regulation