

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN RE: ASURE OPERATIONS LLC NMLS # 2351397))))	DOCKET NO. 24-026-B
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STIPULATION AND CONSENT ORDER

WHEREAS, the Vermont Department of Financial Regulation (“Department”) asserts that Asure Operations LLC (“Respondent”) has violated 8 V.S.A. Chapter 79, the Money Services Act, 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 findings, terms, and conditions set forth in this Stipulation and Consent Order.

STATEMENT OF FACTS

1. Respondent is a limited liability company organized under the laws of the State of Delaware with a principal place of business at 405 Colorado Street, Suite 1800, Austin, TX, 78701.

2. Respondent provides employee management software and services for employers, including payroll processing services.

3. In the performance of Respondent’s payroll processing services, Respondent debits the employer’s bank account and then receives the debited funds in Respondent’s own bank account for transmission to other persons and locations, including to the employer’s employees, contractors, benefits providers and taxing authorities.

4. When such funds become payable by the employer, Respondent transmits the funds to the appropriate payees.

5. On or about April 24, 2023, Respondent submitted an application and paid the associated licensing application and investigation fees through the Nationwide Multistate Licensing System for a Vermont money transmitter license.

6. In response to the Banking Division's inquiries about prior unlicensed activity, Respondent disclosed to the Banking Division of the Department (the "Banking Division") that Respondent has provided payroll processing services to over 1,900 employers located in Vermont since its formation on March 31, 2022, including debiting the employer's bank account and then receiving the debited funds in Respondent's bank account for transmission to the employer's employees, benefits providers, taxing authorities, or to other persons and locations, as applicable, and received aggregate compensation in excess of \$7.8 million paid by Vermont employers to Respondent and/or to certain direct or indirect subsidiaries of Asure Software Inc., a Delaware corporation ("Asure Software" and together with Respondent, and the direct and indirect subsidiaries of Asure Software, "Asure") in connection with such services.

7. Respondent is not currently, nor has it ever been, licensed to engage in the business of money transmission in Vermont.

8. By not holding a Vermont money transmitter license in 2022, 2023, and 2024, Respondent avoided \$3,000 of annual renewal fees and \$45,000 of annual assessments¹ that would have otherwise been or become payable to the Department as a result of Respondent's provision of payroll processing services to Vermont employers.

9. Respondent has cooperated with the Banking Division at all times, including providing responsive information in connection with the Banking Division's requests for

¹ This amount includes \$15,000 that would otherwise become payable on or before April 1, 2025 as the annual assessment pursuant to 8 V.S.A. § 2109(c) for Respondent's money services activity during the year ending December 31, 2024.

information.

10. The Banking Division has received no complaints stemming from Respondent's activity in Vermont.

LEGAL STANDARDS AND FINDINGS OF VIOLATIONS

11. Pursuant to 8 V.S.A. Chapters 1, 72, and 79, the Commissioner is charged with administering and enforcing Vermont law as it pertains to money transmitters in the State of Vermont and is authorized to investigate the activities of money transmitters to determine compliance with Vermont law and to issue orders imposing remedial actions, administrative penalties, the disgorgement of sums obtained in conjunction with violations of Vermont law, and restitution, pursuant to 8 V.S.A. §§ 10-15, 2110, and 2115.

12. Pursuant to 8 V.S.A. § 2115(a), the Commissioner may impose a civil administrative penalty of up to \$10,000 for each violation of Vermont's money transmission laws, plus the costs and expenses of investigating and prosecuting the matter, including attorneys' fees.

13. Pursuant to 8 V.S.A. §2505(a), previously codified as § 2502(a), it is unlawful to engage in money transmission in Vermont without a money transmitter license issued by the Department.

14. At all times between March 31, 2022 and June 30, 2024, pursuant to 8 V.S.A. § 2500(9) money transmission was defined as including the act of receiving money for transmission to a location within or outside the United States.

15. Effective July 1, 2024, pursuant to 8 V.S.A. § 2503(17), the definition of money transmission was revised to include "receiving money for transmission from a person located in this State" and "payroll processing services."

16. Effective July 1, 2024, pursuant to 8 V.S.A. § 2503(21), the term "payroll processing services was defined to mean "receiving money for transmission pursuant to a contract

with a person to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, make payments relating to employee benefit plans, or make distributions of other authorized deductions from wages or salaries.”

17. At all times from and after March 31, 2022, the receipt of funds from an employer in Vermont for transmission to the employer’s employees, benefits providers, taxing authorities, or to other persons and locations constitute money transmission under 8 V.S.A. 2500(9), as well as the definition of money transmission at the time of Respondent’s activities in Vermont that are the subject of this Stipulation and Consent Order.

18. Respondent violated 8 V.S.A. § 2505(a), previously codified as 8 V.S.A. § 2502(a), by, between at least April 1, 2022, and the date hereof, receiving money from employers located in Vermont for transmission to employees, benefits providers, taxing authorities, or to other persons and locations without a Vermont money transmission license.

CONSENT ORDER

19. On or before January 10, 2025, Respondent is ordered to pay an administrative penalty of \$248,000 to the Department of Financial Regulation as disgorgement of the avoided licensing fees, avoided assessments, and a portion of the fees, consideration, and compensation earned from its unlicensed activity.

20. Payment of the amount identified in Paragraph 19 shall be made via wire or check made payable to the “Department of Financial Regulation” and mailed to:

Department of Financial Regulation – Banking Division
Attn: Cheryl Lancaster
89 Main Street
Montpelier, VT 05620-3101

21. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.

22. With respect to the facts and violations identified herein and to the subject matter of this Stipulation and Consent Order, Respondent waives its rights to notice and delivery of this Stipulation and Consent Order, waives its rights to notice and a hearing before the Commissioner or the Commissioner's designee, waives its right, if any, to a jury trial, and waives its rights to appeal and to all other administrative or judicial review otherwise available under Vermont law, including the rules of the Vermont Department of Financial Regulation, the provisions of 3 V.S.A., Chapter 25, and 8 V.S.A. § 16.

23. This Stipulation and Consent Order is entered into solely for the purpose of resolving the actions of Asure and violations of the Respondent identified herein, and it is not intended for any other purpose. Nothing herein shall resolve any violations of Vermont law by any person other than the Respondent and Asure.

24. Respondent understands that the Department and the Commissioner have relied fully upon Respondent's disclosures, representations, warranties and responses to information requests in stipulating to the facts stated herein and that nothing herein shall be construed as limiting the Commissioner's remedies if the Commissioner finds that the facts stated herein are based on false information.

25. 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.

26. 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 Titles 8 and 9 of the Vermont Statutes Annotated, including provisions imposing enhanced penalties for knowing violations.

27. 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; the Department and the Commissioner reserve the right to pursue and order restitution and disgorgement in connection with any complaint filed with the Department on or after the date hereof.

28. 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.

29. This Stipulation and Consent Order shall not prevent any private party from pursuing any claim, and shall not be construed as limiting any private claim or right of action that a private party may have against Respondent or any affiliate thereof, nor shall it be understood as determining whether any such claim or right of action may or may not exist in law or equity.

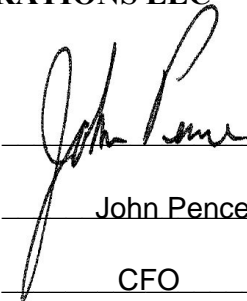
30. This Stipulation and Consent Order shall be governed by and construed under the laws of the State of Vermont.

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

SIGNATURES


The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to by Asure Operations LLC. I certify under the pains and penalties of perjury that I have taken all necessary steps to obtain the authority to bind Asure Operations LLC to this Stipulation and Consent Order and that I have been duly authorized to enter into this Stipulation and Consent Order on behalf of Asure Operations LLC.

ASURE OPERATIONS LLC

By:  December 19, 2024
 Printed name: John Pence Date
 Title: CFO

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

DEPARTMENT OF FINANCIAL REGULATION

By:  12/19/2024
 Kevin J. Gaffney Date
 Commissioner of Financial Regulation
 Vermont Department of Financial Regulation