

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

In Re:)
)
 IH Financial Licenses, Inc. and) **Docket No. 12 - 027 -B**
 ITC Financial Licenses, Inc.,)
)
 Respondents)

STIPULATION AND CONSENT ORDER

Allegations

1. Pursuant to 8 V.S.A. Chapters 1 and 79, the Commissioner of the Vermont Department of Financial Regulation is charged with administering and enforcing Vermont law as it pertains to money transmitters in the State of Vermont.
2. IH Financial Licenses, Inc. ("IHFL") is a South Dakota corporation with a principal place of business at 250 Williams Street, Atlanta, GA.
3. ITC Financial Licenses, Inc. ("ITC") is a South Dakota corporation with a principal place of business at 5617 Princeton Avenue, Columbus, GA.
4. IHFL and ITC are affiliated corporations and both are indirect wholly owned subsidiaries of InComm Holdings, Inc. ("InComm").
5. IHFL and ITC have represented that collectively they are licensed as money transmitters in 45 states and that they offer open loop prepaid cards in those states where they are licensed or are otherwise authorized to offer open loop prepaid cards.
6. At all relevant times neither IHFL nor ITC was licensed as a money transmitter in Vermont.
7. Open loop cards were sold or offered for sale in Vermont under one or more programs managed by IHFL or ITC.
8. On February 22, 2011, the Department had a telephone conversation with representatives of IHFL, ITC, and InComm regarding the sale of prepaid open loop cards in Vermont without a license. IHFL and ITC represented that the open loop cards were inadvertently distributed in Vermont by retailers that serve as authorized agents for IHFL and ITC in multiple jurisdictions. IHFL and ITC represented to the Department that all open loop prepaid cards would be removed from Vermont locations, that policies and procedures would be put in place to prevent the sale of open loop cards in Vermont, and that the companies would not sell open loop prepaid cards in Vermont until they were in compliance with Vermont law.
9. The policies and procedures that IHLF and ITC put in place were not completely effective to prevent the sale of open loop prepaid cards in Vermont.

10. During a series of on-site visits to Vermont retail stores in October 2011, the Department found several locations where IHFL or ITC open loop prepaid cards were offered for sale.

11. IHFL and ITC have since discovered and reported to the Department that despite their policies and procedures, certain authorized agents that operate their own distribution centers continued to distribute IHFL and ITC open loop cards in Vermont.

12. IHFL and ITC have represented to the Department that they have reviewed and revised their policies and procedures to prevent their prepaid open loop cards from being sold in Vermont.

13. At all times IHFL and ITC have cooperated with the Department.

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

15. IHFL, ITC, and the Department expressly agree to enter into this Stipulation and Consent Order in full and complete resolution of the alleged violations described herein.

Stipulation and Agreement

IHFL, ITC, and the Department hereby stipulate and agree as follows:

16. IHFL and ITC do not dispute that there is a factual basis for the Department's allegations in this Stipulation and Consent Order.

17. IHFL and ITC shall pay an administrative penalty to the Department in the total amount of \$25,000.00, which payment shall be made on or before July 23, 2012. IHFL and ITC shall be jointly and severally liable for payment of the \$25,000.00 administrative penalty.

18. Going forward, neither IHFL nor ITC shall sell open loop prepaid cards in Vermont without a Vermont money transmitter license.

19. IHFL and ITC shall adopt policies and procedures to insure that open loop prepaid cards are either not sold in Vermont or are sold in Vermont in full compliance with 8 V.S.A. Chapter 79.

20. The Department shall retain continuing jurisdiction in this matter until IHFL and ITC have complied with the terms and conditions of this Stipulation and Order.

21. This Stipulation and Order shall not prevent any person from pursuing any claim he or she may have against IHFL or ITC, nor shall it be understood as determining whether any such claim may or may not exist in law or equity.

22. Nothing contained in this Stipulation and Order shall restrain or limit the Department in responding to and addressing any actual complaint filed with the Department involving IHFL or ITC and the Department reserves the right to pursue restitution in connection with any complaint filed with the Department.

23. IHFL and ITC knowingly and voluntarily waive any right they may have to judicial review by any court of these matters by way of suit, appeal, or extraordinary relief resulting from entry or enforcement of this Stipulation and Order.

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

24. IHFL and ITC shall comply with all agreements, stipulations, and undertakings as recited above.

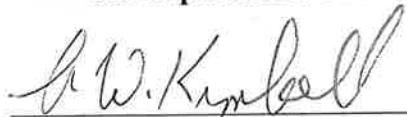
25. IHFL and ITC, jointly and severally, shall pay an administrative penalty to the Department in the total amount of \$25,000.00, which payment shall be made on or before July 23, 2012. IHFL and ITC shall be jointly and severally liable for payment of the \$25,000.00 administrative penalty.

26. This Order shall not prevent any person from pursuing any claim he or she may have against IHFL or ITC.

27. Nothing contained in this Order shall restrain the Department from responding to and addressing any complaint involving IHFL or ITC filed with the Department or shall preclude the Department from pursuing any other violation of law.

28. This Order shall not be construed as an adjudication of any violation of any Vermont law or federal law, except as specifically set forth herein.

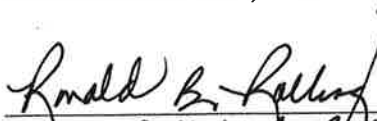
Vermont Department Of Financial Regulation



Stephen W. Kimbell
Commissioner

Dated this 9th day of July, 2012

**CONSENTED AND AGREED TO:
IH Financial Licenses, Inc.**

By: 

(Print Name: RONALD B. ROLLING)
Title: CHIEF OPERATING OFFICER

Dated this 3rd day of JULY, 2012

STATE OF Georgia) SS
COUNTY OF Fulton)

On the 3rd day of July 2012, personally appeared Ronald B. Rolling,
being the COO and duly authorized representative IH Financial Licenses,

Inc., signer of the foregoing Stipulation and Consent Order and acknowledged the same to be his/her free act and deed and the free act and deed of **IH Financial Licenses, Inc.**

Before me, Jennifer Cobb
Notary Public
My commission expires 2/28/2014



Jennifer Cobb
Notary Public
Fulton County, Georgia
My Commission Expires:
February 28, 2014

**CONSENTED AND AGREED TO:
ITC Financial Licenses, Inc.**

By: Ronald B. Rolling
(Print Name: RONALD B. ROLLING)
Title: CHIEF OPERATING OFFICER

Dated this 3rd day of JULY, 2012

STATE OF Georgia) SS
COUNTY OF Fulton)

On the 3rd day of July 2012, personally appeared Ronald B. Rolling,
being the COO and duly authorized representative **ITC Financial Licenses, Inc.**, signer of the foregoing Stipulation and Consent Order and acknowledged the same to be his/her free act and deed and the free act and deed **ITC Financial Licenses, Inc.**

Before me, Jennifer Cobb
Notary Public
My commission expires 2/28/2014



Jennifer Cobb
Notary Public
Fulton County, Georgia
My Commission Expires:
February 28, 2014