

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN RE:)	
)	
YAPSTONE HOLDINGS, INC.)	
NMLS # 1416359)	
)	
and)	
)	
YAPSTONE, INC.)	
NMLS # 1488912)	DOCKET NO. 17-023-B
)	

STIPULATION AND CONSENT ORDER

The Banking Division of the Vermont Department of Financial Regulation (the “Department”), Yapstone Holdings, Inc. and YapStone, Inc. (collectively “Respondents”) hereby stipulate and agree as follows:

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. Yapstone Holdings, Inc. is a Delaware corporation with its principal place of business at 2121 North California Blvd., Suite 400, Walnut Creek, CA 94596.
3. YapStone, Inc., is a Delaware corporation with its principal place of business at 2121 North California Blvd., Suite 400, Walnut Creek, CA 94596.
4. Respondents acknowledge and admit the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order set forth herein.
5. YapStone, Inc. provides electronic payment processing services for the vacation, multi-family apartment rental, self-storage rental, homeowners’ association, faith-based giving, and lodging markets, processing payments received from customers and remitting them to the property owner, property management company, or faith based organization.

6. Respondents have been offering electronic payment processing services in Vermont since 2010.

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

8. On December 22, 2016, YapStone, Inc. submitted an application through the Nationwide Multistate Licensing System ("NMLS") to obtain a Vermont money transmitter license. Prior to that time, Respondents did not apply for a money transmitter license in Vermont.

9. The Department asserts that, prior to receiving a Vermont money transmitter license, Yapstone Holdings, Inc. and YapStone, Inc. engaged in the business of money transmission in Vermont without the license or authorization required by 8 V.S.A. Chapter 79.

10. Based on information provided by Respondents, since 2010, the Department finds that prior to obtaining a license in Vermont, in aggregate, Respondents transmitted to, from or among Vermont residents a total of \$31,938,603 in 55,508 transactions, receiving \$273,108 in fees. Respondents certify that the above constitutes the total of the business it conducted and fees it earned in Vermont between 2010 and May 31, 2017.

11. The Department asserts that Respondents violated Vermont's money transmitter laws by engaging in money transmission without a license. As part of this Stipulation and Consent Order, Respondents neither admit nor deny the Department's allegation that they violated Vermont's money transmitter laws by engaging in money transmission without a license or authorization under Title 8, Chapter 79.

12. At all times, Respondents have cooperated with the Department.

13. The Department has not received any complaints stemming from Respondents' Vermont activity.

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

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

16. Respondent agrees to pay \$62,816 to the Department of Financial Regulation; representing licensing fees and assessments for the period of unlicensed activity in the amount of \$ 8,194, and disgorgement of an appropriate amount of fees earned from the unlicensed activity in the amount of \$54,622. The penalty is allocated as follows: Yapstone Holdings, Inc. shall pay \$38,946 and YapStone, Inc. shall pay \$23,870. The penalty shall be paid within ten (10) days of the execution of this Stipulation and Consent Order.

17. Respondents shall not, either directly or through its affiliates, engage in the business of money transmission in Vermont without a Vermont money transmitter license.

18. This Stipulation and Consent Order shall not prevent any person from pursuing any claim he or she may have against Respondents, 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 Respondents.

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

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

21. Respondents hereby waives their statutory right to notice and a hearing before the

Commissioner of the Department, or his designated appointee.

22. Respondents acknowledge and agree that this Stipulation and Consent Order is entered into freely and voluntarily and that except as set forth herein, no promise was made to induce the Respondents to enter into it. Respondents acknowledge their understanding of and agree to all terms, conditions, and obligations contained in this Stipulation and Consent Order. Respondents consent to the entry of this Stipulation and Consent Order.

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

24. The undersigned representative of Respondents affirm that he or she has taken all necessary steps to obtain the authority to bind Respondents to the obligations stated herein and has the authority to bind Respondents to the obligations stated herein.

Yapstone Holdings, Inc.

By:  _____ Date: 12/18/17

David E. Durant, Secretary and General Counsel

YapStone, Inc.

By:  _____ Date: 12/18/17

David E. Durant, Secretaty and General Counsel

ACCEPTED BY:

 _____ 12/18/2017

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

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, Respondents consent 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 18th day of December 2017.



Michael S. Pieciak, Commissioner
Vermont Department of Financial Regulation