

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN RE:)
)
INTERNET ESCROW SERVICES, INC.) **DOCKET NO. 18-027-B**
)
)

STIPULATION AND CONSENT ORDER

The Banking Division of the Vermont Department of Financial Regulation (the “Department”), and Internet Escrow Services, Inc. (“Respondent”) 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. Internet Escrow Services, Inc. is a California corporation with its principal place of business at Suite 650, 180 Montgomery Street, San Francisco, CA 94104.
3. Respondent offers escrow services for various types of internet transactions. Respondent holds a buyer’s funds in escrow and then disburses these funds to the seller when the conditions of the sale are satisfied.
4. Respondent has been offering its services in Vermont since May 2000.
5. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order set forth herein.
6. Vermont’s Money Services Act, 8 V.S.A. Chapter 79 defines “money transmission” to include “selling or issuing stored value” and “receiving money or monetary value for transmission to a location within or outside the United States.” 8 V.S.A. § 2500(11).

7. On October 27, 2017, Respondent submitted an application through the Nationwide Multistate Licensing System (“NMLS”) to obtain a Vermont money transmitter license.

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

9. Respondent has done business in Vermont since 2000, however, Respondent was acquired by its current parent company in 2015. Respondent represents that all company profits earned prior to the acquisition were retained by the former owner. Based on information provided by Respondent, since 2015, the Department finds that prior to obtaining a license in Vermont, in aggregate, Respondent facilitated 50 transactions, earning \$5,196.54 in fees from Vermont residents. Respondent certifies that the above constitutes the total of the business it conducted and fees it earned in Vermont since the acquisition in 2015.

10. The Department asserts that Respondent violated Vermont’s money transmitter laws by engaging in money transmission without a license by receiving money from one party for transmission to the other party in the transaction. 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.

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

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

13. Respondent and the Department expressly agree to enter into this Stipulation and

Consent Order in full and complete resolution of the alleged violations described herein, except as provided in Section 14.

14. To the extent the resolution between the parties described in this Stipulation and Consent Order is based on Respondent's representations, Respondent's lack of candor, misrepresentations, or omissions in regard to the allegations in the Order will serve to nullify Section 14 and allow the Department to take further action for the violations described herein.

15. Respondent agrees to pay \$12,500.00 to the Department of Financial Regulation; representing an administrative penalty in the amount of \$10,000.00 and disgorgement of a portion of fees earned since October 2015 in the amount of \$2,500.00. This shall be paid within ten (10) days of the execution of this Stipulation and Consent Order.

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

17. This Stipulation and Consent Order shall not prevent any person 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.

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

19. The Department and Respondent 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.

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 13th day of ~~May~~ ^{June} 2018.



Michael S. Pieciak, Commissioner
Vermont Department of Financial Regulation