

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. MT-24-0001

ENTRATA, INC. a Delaware Corporation,

Respondent.

ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL
PENALTY, AND CONSENT TO
ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) Chapter 717 and Oregon Administrative Rules (“OAR”) Chapter 441, Division 745 (collectively, “the Oregon Money Transmitters Law”), conducted an investigation into the activities of Entrata, Inc. (“Respondent”) and determined that Respondent engaged in activities constituting violations of the Oregon Money Transmitters Law.

Respondent, without admitting or denying the Director’s findings of fact or conclusions of law, wishes to resolve and settle this with the Director.

Now, therefore, as evidenced by the authorized signature subscribed on this Order, Respondent hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a Delaware corporation whose principal address is 4205 Chapel Ridge Rd., Lehi, UT 84043.

2. At all relevant times, Respondent has operated a software platform it provides to rental property manager or owner (“RPO”) clients to facilitate tenant rent payments, including electronic payments made through the Automated Clearing House network

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1 (“ACH payments”).

2 3. Tenants utilize Respondent’s platform, dubbed “ResidentPay,” to pay rent
3 owed to Respondent’s RPO clients. For ACH payments, Respondent relays the tenants’
4 payment instructions to a bank with whom it has an operating agreement.¹ The bank
5 processes the instructions and transfers funds from the tenants’ financial institutions to a
6 bank-managed escrow account. Once the transfer is complete, Respondent directs the
7 transmission of funds to its RPO clients’ designated accounts.

8 4. Respondent charges fees to tenants that use ResidentPay to make ACH
9 payments.

10 5. At no time has Respondent been licensed to conduct a money transmission
11 business in Oregon.

12 6. On or around March 6, 2019, Respondent submitted a request for the Division
13 of Financial Regulation (“Division”) to provide a written opinion as to whether the services
14 it provided through its ResidentPay portal required it to be licensed as a money
15 transmission business.

16 7. On or around April 22, 2019, the Division provided Respondent with a written
17 response stating that Respondent’s activities:

18 (A) Constituted “money transmission” under the Oregon Money
19 Transmitters Law; and

20 (B) Required licensure as a money transmission business.

21 8. In its written response, the Division directed Respondent to submit a money
22 transmission licensing application within 30 days.

23 9. Respondent failed to respond to the Division’s response and failed to submit a
24 licensing application.

25 _____
26 ¹ On or around January 5, 2015, Respondent entered into an agreement with ZB NA dba Zions First National Bank to provide the financial institution services needed to effectuate ACH payments through ResidentPay.



1 10. Despite receiving the Division’s response, Respondent continued to provide the
2 services set forth in Paragraph (3) for a fee.

3 11. On or around June 2022, the Division received a complaint from a tenant of one
4 of Respondent’s RPO clients regarding the ResidentPay portal.²

5 12. On or around June 7, 2022, the Division sent Respondent a letter requesting
6 information regarding its Oregon money transmission activities. The letter referenced the
7 2019 correspondence exchanged between Respondent and the Division and reiterated the
8 Division’s conclusion that Respondent’s activities required a money transmitter’s license.
9 The letter included the following directive:

10 **“[Respondent] must immediately stop any money transmission**
11 **activities until they are correctly registered and/or licensed.”**

12 13. Despite receiving the Division’s second written directive, Respondent
13 continued to provide the services set forth in Paragraph (3) for a fee.

14 14. From June 1, 2019 through July 11, 2024, Respondent processed 961,821 ACH
15 transactions for Oregon consumers through its ResidentPay portal, as set forth in Paragraph
16 (3), for which it received \$274,391 in fees.³ Twelve of the consumers paid over \$100 in
17 fees.⁴

18 CONCLUSIONS OF LAW

19 The Director CONCLUDES that:

20 15. Respondent engaged in the business of “money transmission,” under ORS
21 717.200(11) by relaying instructions for the transmission of money and directing the
22 transmission of money, for a fee, as set forth in Paragraphs (3) – (4).

23 _____
24 ² The complainant claimed he had been charged an exorbitant fee for using a business credit card to pay rent through the portal.

25 ³ On or around March 16, 2023, EntrataPay, LLC, a Delaware limited liability company under shared ownership and control with Respondent, was issued an Oregon money transmitter license. On or around July 12, 2024, the Division authorized Respondent to conduct its money transmission business through EntrataPay, LLC as its delegate.

26 ⁴ Respondent has identified these consumers, and the amount of fees they paid, under separate cover.

1 16. By engaging in a money transmission business without an Oregon money
2 transmitter's license, Respondent violated ORS 717.205(1) in 961,821 instances and for
3 1,884 days.

4 17. Because the Director has reason to believe that Respondent has been engaged,
5 is engaging, or is about to engage in violation of the Oregon Money Transmitters Law, the
6 Director may issue an order to Respondent to cease and desist, pursuant to ORS
7 717.290(1)(a).

8 18. Under ORS 717.900(1), the Director may impose a civil penalty of up to \$1,000
9 per violation or, in the case of a continuing violation, \$1,000 for each day that the violation
10 continues, upon a person who violates a provision of the Oregon Money Transmitters Law.

11 **ORDERS**

12 Now therefore, the Director issues the following Orders:

13 19. As authorized by ORS 717.290(1)(a), the Director hereby ORDERS
14 Respondent to CEASE AND DESIST from violating ORS 717.205(1).

15 20. Based upon the foregoing and as authorized by ORS 717.900(1), the Director
16 hereby ORDERS that Respondent be subject to a CIVIL PENALTY of \$376,800 for
17 violating ORS 717.205(1) in 961,821 instances and for 1,884 days.

18 21. The Director hereby suspends payment of \$101,800 of the \$376,800 CIVIL
19 PENALTY for a period of three years, provided Respondent complies with the following
20 terms:

21 (A) Does not violate the Oregon Money Transmitters Law within the three-
22 year time period;

23 (B) Pays the non-suspended portion of the CIVIL PENALTY (\$275,000);

24 (C) Refunds all fees paid by the twelve Oregon consumers referenced in
25 Paragraph (14) within thirty (30) days from the effective date of this Order and
26 provides the Division with documentation of such payments within that timeframe;

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1 (D) If Respondent does not maintain a current account with any of the
2 twelve consumers identified in Paragraph (14) and/or does not have current contact
3 information for any such consumers, Respondent shall use all reasonable efforts
4 and means to locate and notify the consumer of the impending refund and to arrange
5 to transmit the refund to the consumer(s) through electronic transfer (such as by
6 ACH) or by issuance of a refund check. If needed, Respondent shall be granted an
7 additional sixty (60) days from the effective date of this Order to exhaust all efforts
8 to locate the consumer(s) and issue refunds;

9 (E) If at the conclusion of the additional sixty (60) day period, and despite
10 the use of all reasonable efforts, Respondent still cannot make successful payment
11 to any consumer(s), Respondent shall deliver any remaining refunds for such
12 consumer(s) to the Oregon State Treasury (“OST”) to be managed and distributed
13 by OST pursuant to Oregon’s Unclaimed Property Program. Respondent shall
14 provide OST with all unclaimed funds, along with each applicable consumer’s
15 contact information and a copy of this Order, within one hundred (100) days from
16 the effective date of this Order; and

17 (F) Respondent will act diligently and in good faith with respect to seeking
18 to identify additional consumers that paid over \$100 in fees during the applicable
19 time period. If, within sixty (60) days of this Order, Respondent identifies
20 additional consumers not previously disclosed and/or additional fees paid by any
21 consumers, Respondent will notify the Division and refund such fees in accordance
22 with the terms of this Order.

23 22. The total suspended civil penalties (\$101,800) will be waived three years from
24 the date this Order is finalized, provided Respondent has complied with the foregoing
25 Order terms. If Respondent fails to comply with the Oregon Money Transmitters Law or
26 otherwise fails to comply with the terms and conditions of this Order within the foregoing

1 period of three (3) years, then the suspended civil penalty shall become immediately due
2 and payable.

3 23. The non-suspended portion of the CIVIL PENALTY (\$275,000) is immediately
4 due and payable.

5 24. This Order is binding upon Respondent’s successors and assigns.

6 25. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
7 provision, the entry of this Order does not limit other remedies that are available to the
8 Director under Oregon law.

9 SO ORDERED this 31st day of October 2024.

11
12 ANDREW R. STOLFI, Director
13 Department of Consumer and Business Services

14 /s/ Dorothy Bean
15 Dorothy Bean, Chief of Enforcement
16 Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Mark Hansen , state that I am an officer of Respondent and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of Respondent’s right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Money Transmitters Law with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will effect money transmission services in Oregon unless such activities are in full compliance with the Oregon Money Transmitters Law. Respondent understands that this Consent Order is a public document.

Signature: /s/ Mark Hansen

Position Held: CFO

State of Utah
County of Utah

Signed or attested before me on this 22nd day of October , 2024
by Larissa Call.

/s/ Larissa Call
Notary Public

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