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

In the Matter of: SECURE ACCOUNT SERVICE LLC, an Arizona Limited Liability Company, Respondent.	Case No. MT-19-0095 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 Secure Account Service LLC ("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 matter 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 an Arizona limited liability company whose principal address is 430 S. Lake Havasu Ave., Suite 101, Lake Havasu City, AZ 86403.

2. From in or around 2015 through in or around 2019, Respondent entered into agreements with 21 entities that offered to modify the terms of third-party consumer debt

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obligations ("Debt Management Contracts'').[1] Under the agreements, Respondent would provide the entities' clients with money transmission services relating to the Debt Management Contracts.

3. From in or around 2015 through in or around 2019, Respondent contracted with 184 Oregon consumers ("the Oregon Consumers") to perform services which included:

A. Electronically withdrawing funds from the Oregon Consumers' bank accounts;[2]

B. Holding the funds in Respondent's trust account(s); and

C. Disbursing the funds pursuant to the Debt Management Contracts.

4. From in or 2015 through in or around 2019, Respondent made hundreds of withdrawals and disbursements pursuant to the foregoing contracts ("the Money Transmitter Contracts").

5. Respondent earned service fees of at least $10,121 for performing the services in the Money Transmitter Contracts.

6. At no time has Respondent been licensed to conduct a money transmission business in Oregon.[3]

7. Respondent was cooperative with the Director's investigation of this matter.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

8. By performing the services in the Money Transmitter Contracts described in Paragraph (3), Respondent performed "money transmission" under ORS 717.200(11).

9. By engaging in a money transmission business without an Oregon money transmitter's license, Respondent violated ORS 717.205(1) in 184 instances.

10. Because the Director has reason to believe that Respondent has been engaged

[1] None of the entities were registered to perform debt management services in Oregon.
[2] The Oregon Consumers consented to these withdrawals.
[3] Respondent is licensed to conduct a money transmission business in Arizona.

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in violation of the Oregon Money Transmitters Law, the Director may issue an order to Respondent to cease and desist, pursuant to ORS 717.290(1)(a).[4]

11. Under ORS 717.900(1), the Director may impose a civil penalty of up to $1,000 *per violation* upon a person who violates a provision of the Oregon Money Transmitters Law.

ORDERS

Now therefore, the Director issues the following Orders:

12. As authorized by ORS 731.252(1), the Director hereby ORDERS Respondent to CEASE AND DESIST from violating ORS 717.205(1).

13. Based upon the foregoing and as authorized by ORS 731.988(1), the Director hereby ORDERS that Respondent be subject to a CIVIL PENALTY of $50,000 for violating ORS 717.205(1) in 184 instances.

14. The Director hereby suspends payment of $50,000 of the CIVIL PENALTY for a period of three years, provided Respondent:

A. Does not violate the Oregon Money Transmitters Law within the three-year time period; and

B. Pays $10,121 to the Oregon Consumers within one (1) year from the effective date of this Order and provides the Division with documentation of such payments within that timeframe. The transactions contemplated by this Paragraph will not be considered a violation of ORS 717.205, et. al.

15. The Division will provide Respondent with documentation of the specific restitution sums due to each Oregon Consumer under separate cover.

16. In the event Respondent cannot make successful payment to an Oregon Consumer within one (1) year from the effective date of this Order, Respondent shall send

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[4] Respondent asserts that it ceased to engage in any business in the State of Oregon on December 23, 2018 and continues to cease to do any business in the State of Oregon.

communication to the consumer's last-known electronic *and* mailing address to notify them they are entitled to funds to be made available through the Oregon Department of State Lands ("DSL"). Respondent shall provide DSL with all such unclaimed funds, along with the consumer's contact information and a copy of this Order. DSL will distribute the funds to Oregon Consumers that contact the Director or DSL.

17. The suspended civil penalty ($50,000) will be waived three years from the date this Order is finalized, provided Respondent has complied with the foregoing Order terms. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Respondent has violated any term of this Order.

18. This Order is binding upon Respondent's successors and assigns.

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

SO ORDERED this 13th day of May, 2020.

ANDREW R. STOLFI, Acting Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean Chief of Enforcement
Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Kim Stratford, 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/ Kim Stratford

Position Held: President

State of Arizona

County of Mohave

Signed or attested before me on this 11th day of May, 2020 by Kim Stratford.

/s/ Tiana Hunter
Notary Public

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