
*
IN THE MATTER OF: *
*
TECH FRIENDS, INC. *
d/b/a JAILATM *
NMLS # 1151821 *
*
(“TFI”) *
*

CONSENT ORDER

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Part V of Chapter 668, Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes, “Payment Instruments. Money Transmission”;

WHEREAS, TFI is an Arkansas corporation that is currently licensed to engage in money transmission in this state with an office at 2225 E. Highland Drive, Jonesboro, Arkansas;

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking, conducted an investigation pursuant to Section 36a-17 of the Connecticut General Statutes, as amended by Public Act 18-173, and Section 36a-608 of the Connecticut General Statutes, as amended by Public Act 18-173, to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes within the Commissioner’s jurisdiction;

WHEREAS, from at least June 2012 to August 2018, TFI engaged an entity that was neither licensed nor exempt from licensure to engage in money transmission activities within this state;

WHEREAS, the company engaged by TFI to perform money transmission activities never acquired or maintained a money transmitter license as required by Section 36a-597 of the Connecticut

General Statutes at any point in time during which it engaged in money transmission activity within this state;

WHEREAS, as a result of such investigation, the Commissioner alleges that TFI violated Section 36a-608 of the Connecticut General Statutes;

WHEREAS, the Commissioner believes that such allegation would support the initiation of proceedings against TFI, including, without limitation, proceedings to issue a cease and desist order against TFI pursuant to Section 36a-608(c) of the Connecticut General Statutes, as amended, and Section 36a-52(a) of the 2018 Supplement to the General Statutes, issue an order suspending or revoking TFI's license pursuant to Section 36a-608(b) of the Connecticut General Statutes, as amended, and subsections (a) and (b) of Section 36a-51 of the 2018 Supplement to the General Statutes, and impose a civil penalty upon TFI of up to one hundred thousand dollars (\$100,000) per violation pursuant to Section 36a-608(c) of the Connecticut General Statutes, as amended, and Section 36a-50(a) of the 2018 Supplement to the General Statutes;

WHEREAS, initiation of such enforcement proceedings would constitute a "contested case" within the meaning of Section 4-166(4) of the Connecticut General Statutes;

WHEREAS, Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, both the Commissioner and TFI acknowledge the possible consequences of formal administrative proceedings, and TFI voluntarily agrees to consent to the entry of the sanctions imposed below solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

WHEREAS, the Commissioner and TFI now desire to resolve the matters set forth herein;

WHEREAS, TFI herein represents to the Commissioner that all money transmission activities in this state will be performed through persons licensed or exempt from licensure requirements to engage in money transmission;

WHEREAS, TFI specifically assures the Commissioner that the violation alleged herein shall not occur in the future;

WHEREAS, TFI acknowledges that this Consent Order is a public record and is a reportable event for purposes of the Nationwide Multistate Licensing System and Registry (“NMLS”), as applicable;

AND WHEREAS, TFI, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegation set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order;

CONSENT TO ENTRY OF SANCTIONS

WHEREAS, TFI, through its execution of this Consent Order, consents to the Commissioner’s entry of a Consent Order imposing the following sanctions:

1. No later than the date this Consent Order is executed by TFI, it shall remit to the Department of Banking by wire transfer, cashier’s check, certified check or money order made payable to “Treasurer, State of Connecticut”, the sum of Five Thousand Dollars (\$5,000) as a civil penalty; and
2. TFI shall not engage in unsafe or unsound practices, in violation of Section 36a-608 of the Connecticut General Statutes, as amended by Public Act 18-173.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against TFI based upon the allegation contained herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against TFI based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by TFI and reflected herein is subsequently discovered to be untrue;
3. TFI shall not take any action or make or permit any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;

4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by TFI and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of TFI to apply for or obtain an initial license or renewal license under Part V of Chapter 668, Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes, provided that all applicable legal requirements for such licenses are satisfied and the terms of this Consent Order are followed;
5. This Consent Order shall be binding on TFI and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 17th day of December 2018.

_____/s/_____
Jorge L. Perez
Banking Commissioner

I, Laura L. Shipman, state on behalf of Tech Friends, Inc. d/b/a JailATM, that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Tech Friends, Inc. d/b/a JailATM; that Tech Friends, Inc. d/b/a JailATM agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Tech Friends, Inc. d/b/a JailATM voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: _____/s/_____
Name: Laura L. Shipman
Title: CFO
Tech Friends, Inc. d/b/a JailATM

State of: Arkansas

County of: Craighead

On this the 13th day of December 2018, before me, Sarah A. Richardson, the undersigned officer, personally appeared Laura L. Shipman who acknowledged himself/herself to be the CFO of Tech Friends, Inc. d/b/a JailATM, a corporation, and that he/she as such CFO, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as CFO.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public
Date Commission Expires: March 1, 2025