

**STATE OF NEBRASKA**  
**Department of Banking & Finance**

IN THE MATTER OF:	)	
	)	
Internet Escrow Services, Inc.	)	FINDINGS OF FACT
180 Montgomery Street, Suite 650	)	CONCLUSIONS OF LAW
San Francisco, California	)	AND
	)	CONSENT AGREEMENT
	)	

NMLS No. 1370002

THIS MATTER comes before the Nebraska Department of Banking and Finance (“Department”), by and through its Director, pursuant to its authority under the Nebraska Money Transmitters Act, Neb. Rev. Stat. §§ 8-2701 to 8-2747 (Cum. Supp. 2016; LB 185, 2017; LB 186, 2017) (the “Act”). Pursuant to Neb. Rev. Stat. § 8-2744 (Cum. Supp. 2016), the Department has investigated alleged violations of the Act by Internet Escrow Services, Inc., 180 Montgomery Street, Suite 650, San Francisco, California (“Internet Escrow Services”). As a result of such investigation, and being duly advised and informed in the matter, the Director and Internet Escrow Services enter into the following Findings of Fact, Conclusions of Law, and Consent Agreement (“Consent Agreement”).

**FINDINGS OF FACT**

1. Internet Escrow Services submitted a Money Transmitter License Application to the Department through the Nationwide Mortgage Licensing System (“NMLS”). The application was complete on September 12, 2017. The Department has not previously licensed Internet Escrow Services.

2. Internet Escrow Services has represented to the Department that it has transacted Nebraska business as a money transmitter since 2000, conducting 1,869 transactions with Nebraska residents.

3. The Department incurred a minimum of One Thousand Dollars (\$1,000.00) in investigation costs in this matter.

### **CONCLUSIONS OF LAW**

1. Neb. Rev. Stat. § 8-2716 (Cum. Supp. 2016) defines money transmission as the business of the sale or issuance of payment instruments or stored value or of receiving money or monetary value for transmission to a location within or outside of the United States by any and all means, including wire, facsimile, or electronic transfer. Notwithstanding any other provision of law, money transmission also includes bill payment services not limited to the right to receive payment of any claim for another but does not include bill payment services in which an agent of a payee receives money or monetary value of behalf of such payee.

2. Neb. Rev. Stat. § 8-2725 (Cum. Supp. 2016) provides that a person shall not engage in money transmission without a license issued pursuant to the Nebraska Money Transmitters Act.

3. Neb. Rev. Stat. § 8-2726 (Cum. Supp. 2016) provides that to qualify for a license under the Nebraska Money Transmitters Act, an applicant at the time of filing for a license, and a licensee at all times after a license is issued, shall satisfy the following requirements: (a) Each applicant or licensee must have a net worth of not less than fifty thousand dollars; (b) The financial condition and responsibility, financial and business experience, and character and general fitness of the applicant or licensee must reasonably warrant the belief that the applicant's or licensee's business will be conducted honestly, fairly, and in a manner commanding the confidence and trust of the community; (c) Each corporate applicant or licensee must be in good

standing in the state of its incorporation; and (d) Each applicant or licensee must be registered or qualified to do business in the state.

4. Neb. Rev. Stat. § 8-2744 (Cum. Supp. 2016) provides that if the Director finds, after notice and hearing in accordance with the Administrative Procedure Act, that any person has violated the Nebraska Money Transmitters Act or any rule, regulation, or order of the Director thereunder, the Director may order such person to pay (a) an administrative fine of not more than five thousand dollars for each separate violation and (b) the costs of investigation.

5. The facts listed in above Findings of Fact Nos. 1 and 2 constitute a sufficient basis for the Director to have determined that Internet Escrow Services has violated the Act by engaging in unlicensed activity. Each of Internet Escrow Services' individual money transmitter transactions constitute a separate violation of Neb. Rev. Stat. § 8-2725 (Cum. Supp. 2016). As a result, the Director would have cause to deny Internet Escrow Services' license application and/or could institute a proceeding to impose an administrative fine in an amount of not more than five thousand dollars for each separate violation, plus costs of investigation, in accordance with Neb. Rev. Stat. § 8-2744 (Cum. Supp. 2016).

6. Under the Act's statutory framework, the Director has the legal and equitable authority to fashion significant remedies.

7. It is in the best interest of Internet Escrow Services, and it is in the best interest of the public, for Internet Escrow Services and the Department to resolve the issues included herein.

## STIPULATIONS

In connection with this Consent Agreement, Internet Escrow Services and the Director stipulate to the following:

1. The Department has jurisdiction as to all matters herein.
2. Internet Escrow Services neither admits nor denies the Findings of Fact and Conclusions of Law set forth above.
3. This Consent Agreement shall resolve all matters raised by the Department's investigation of Internet Escrow Services in connection with its application for a license under the Act. Should future circumstances warrant, the facts from this matter may be considered in future administrative action by the Department.
4. This Consent Agreement shall be in lieu of all other proceedings available to the Department, except as specifically referenced in this Consent Agreement.

Internet Escrow Services further represents as follows:

1. Internet Escrow Services is aware of its right to a hearing on these matters at which it may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing, and any related appeal, is irrevocably waived.
2. Internet Escrow Services is acting free from any duress or coercion of any kind or nature.
3. This Consent Agreement is executed to avoid further proceedings and constitutes an admission of violations of Neb. Rev. Stat. § 8-2725 (Cum. Supp. 2016) solely for the purpose of this Consent Agreement and for no other purpose.

## CONSENT AGREEMENT

IT IS THEREFORE AGREED as follows:

1. Within ten days after the effective date of this Consent Agreement, Internet Escrow Services shall pay a fine of Twenty One Thousand Dollars (\$21,000.00) for its 1,869 violations of Neb. Rev. Stat. § 8-2725 (Cum. Supp. 2016).

2. Within ten days after the effective date of this Consent Agreement, Internet Escrow Services shall pay the Department's investigation costs in this matter in the amount of One Thousand Dollars (\$1,000.00).

3. The total amount of the fine, Twenty One Thousand Dollars (\$21,000.00), plus the total amount of investigation costs, One Thousand Dollars (\$1,000.00), shall be payable in one check or money order in the amount of Twenty Two Thousand Dollars (\$22,000.00) to the Department.

4. In the event Internet Escrow Services fails to comply with any of the provisions of this Consent Agreement, the Department may commence such action as it deems necessary and appropriate in the public interest.

5. If, at any time, the Department determines Internet Escrow Services has committed any other violations of the Act, the Department may take any action available to it under the Act.

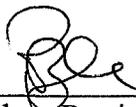
6. Within ten business days after the Department's receipt of Internet Escrow Services' full payment of all fines and costs, the Department shall approve Internet Escrow Services' Money Transmitter License Application through the NMLS. The license will expire the last day of December 2017, unless sooner suspended, revoked, cancelled, or surrendered.

7. Within thirty (30) business days after the effective date of this Consent Agreement, Internet Escrow Services shall update its disclosure record on the NMLS to include this Consent Agreement.

8. The effective date of this Consent Agreement will be the date of the Director's signature.

DATED this 30 day of OCTOBER, 2017.

**INTERNET ESCROW SERVICES, INC.**

By:   
Robert Barrie, Director

180 Montgomery Street, Suite 650  
San Francisco, California 94104

DATED this 2 day of November, 2017.

**STATE OF NEBRASKA  
DEPARTMENT OF BANKING AND FINANCE**

By:   
Mark Quandahl, Director

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