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DEPT. OF FINANCIAL INSTITUTIONS

ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of the Money Transmitter License of:

OAH No. 17F-BD002-BNK
Department No. 17F-BD027-SBD

**ZEIN MONEY TRANSMITTER LLC d/b/a
ZEIN MONEY TRANSMITTER, and AMAR
ELTAHIR, MEMBER; Arizona Money
Transmitter License No.: 0930918**

**CONSENT AGREEMENT TO
VOLUNTARILY SURRENDER ZEIN
MONEY TRANSMITTER LLC'S
ARIZONA MONEY TRANSMITTER
LICENSE**

3411 West Northern Avenue, Suite F
Phoenix, AZ 85051

Respondents.

DIRECTED TO: Zein Money Transmitter LLC
d/b/a Zein Money Transmitter, and
Amar Eltahir, Managing Member
Respondents

RECITAL

In the interest of a prompt and judicious settlement of the above-captioned matter the Arizona Department of Financial Institutions ("Department"), Zein Money Transmitter LLC d/b/a Zein Money Transmitter ("Zein" or "Respondent Company"), and Amar Eltahir ("Mr. Eltahir"), the Managing Member of Zein, among and between themselves enter into this Consent Agreement to Voluntarily Surrender Zein's Money Transmitter License No. 0930918. The execution of this Consent Agreement to Voluntarily Surrender by all the above parties is the final disposition of this matter and it vacates the administrative hearing before the Office of Administrative Hearings scheduled for May 15, 2017 at 8:30 a.m. before Administrative Law Judge Tammy Eigenheer.

PARTIES & JURISDICTION

1. The Department was created and enabled to administer certain laws of the State of Arizona by protecting the public interest through licensure and regulation of money transmitters in this state. See A.R.S. §§ 6-110; -1201 to -1242.

2. Zein is an Arizona Limited Liability Company, authorized to do business in Arizona.

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G. If Respondents fail to comply with any of the terms found in this Consent Agreement to Voluntarily Surrender, the Department shall begin proceedings for noncompliance before an administrative or judicial tribunal.

H. The terms of this Consent Agreement to Voluntarily Surrender encompass and include all the paragraphs found herein.

I. Respondents acknowledge and agree that this Consent Agreement to Voluntarily Surrender is a public record that may be disseminated as a formal action of the Department.

DATED this 12th day of April, 2017.

Robert D. Charlton, Superintendent
Arizona Department of Financial Institutions

By Tammy Seto
Tammy Seto, Division Manager
Consumer Affairs & MSBs
Department of Financial Institutions

By Amar Elzeif
Amar Eltahir, Managing Member
Zein Money Transmitter LLC

1 ORIGINAL of the foregoing filed this 13th
2 day of April, 2017, in the office of:

3 Robert D. Charlton, Superintendent
4 Arizona Department of Financial Institutions
5 ATTN: June Beckwith
6 2910 N. 44th Street, Suite 310
7 Phoenix, Arizona 85018
8 JBeckwith@azdfi.gov

9 COPY of the foregoing E-Filed same date to:

10 Tammy Eigenheer, Administrative Law Judge
11 Office of the Administrative Hearings
12 1400 West Washington, Suite 101
13 Phoenix, AZ 85007

14 COPY of the foregoing mailed/delivered same date to:

15 Roberto Pulver, Assistant Attorney General
16 Office of the Attorney General
17 1275 West Washington
18 Phoenix, Arizona 85007
19 Roberto.Pulver@azag.gov

20 Tammy Seto, Division Manager
21 Mark Murphy, Examiner-in-Charge
22 ATTN: Linda Lutz
23 Arizona Department of Financial Institutions
24 2910 N. 44th Street, Suite 310
25 Phoenix, Arizona 85018
26 LLutz@azdfi.gov

Amar Eltahir, Member
Zein Money Transmitter, LLC d/b/a
Zein Money Transmitter
3411 West Northern Avenue, Suite F
Phoenix, AZ 85051
zeinmoneytransmitter@gmail.com
Respondents

Amar Eltahir, Statutory Agent
1702 West Tuckey Lane, #204
Phoenix, AZ 85015
Statutory Agent for Respondent Company

Honora Carranza
#5883345v1

EXHIBIT A

Notice of Hearing and Complaint

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Money Transmitter License
3 of:

No. 17F-BD002-BNK

4 **ZEIN MONEY TRANSMITTER LLC d/b/a**
5 **ZEIN MONEY TRANSMITTER, and AMAR**
6 **ELTAHIR, MEMBER; Arizona Money**
7 **Transmitter License No.: 0930918**

NOTICE OF HEARING AND COMPLAINT
TO REVOKE MONEY TRANSMITTER
LICENSE OF ZEIN MONEY
TRANSMITTER LLC d/b/a ZEIN MONEY
TRANSMITTER

8 3411 West Northern Avenue, Suite F
9 Phoenix, AZ 85051

Respondents.

10 **DIRECTED TO:** Zein Money Transmitter LLC
11 d/b/a Zein Money Transmitter, and
12 Amar Eltahir, Managing Member
13 Respondents

14 **YOU ARE HEREBY NOTIFIED** that under Arizona Revised Statutes (“A.R.S.”) §§ 6-138
15 and 41-1092.01 *et seq.*, the above-captioned matter will be heard through the Office of
16 Administrative Hearings, an independent agency, on **May 15, 2017 at 8:30 a.m.** or as soon
17 thereafter as can be heard at **1400 W. Washington, Suite 101, Phoenix, Arizona 85007.**
18 Information as to procedures, practice pointers, or the online filing of motions is available through
19 the Office of Administrative Hearings’ website at www.azogh.com or by calling their offices at
20 (602) 542-9826.

21 Under A.R.S. § 6-138, the Superintendent of Financial Institutions for the State of Arizona
22 (the “Superintendent”) delegates, whether implied or expressed, to the Director of the Office of
23 Administrative Hearings or the Director’s designee to preside over the administrative hearing as the
24 Administrative Law Judge to make written recommendations to the Superintendent consisting of
25 proposed Findings of Fact, Conclusions of Law, and Order. The Office of Administrative Hearings
26 has designated Tammy Eigenheer at the address and phone number listed above, as the
Administrative Law Judge for these proceedings.

1 You are notified that you may appear on the date and at the time and place specified in this
2 Notice of Hearing and Complaint with or without the assistance of counsel, and to present evidence
3 in response to the allegations in this Complaint, to have a reasonable opportunity to inspect all
4 documentary evidence, to examine witnesses, to present evidence in support of your interests, and to
5 have subpoenas issued by the Administrative Law Judge to compel attendance of witnesses and
6 production of evidence. **You are further notified that if you fail to appear, the Administrative
7 Law Judge can proceed with the administrative hearing and issue a Recommended Decision.
8 The Superintendent can consider the Recommended Decision to make a final determination on
9 this matter.**

10 Under A.A.C. R20-4-1209(A) and (B), within twenty (20) days after service of the Notice of
11 Hearing and Complaint, Respondents shall file a written Answer to the Complaint with the
12 Office of Administrative Hearings and shall mail or deliver a copy of the Answer to the
13 Department of Financial Institutions ("Department") and to the Assistant Attorney General
14 designated below. The Answer shall state Respondents' position or defense and shall specifically
15 admit or deny each assertion in the Notice of Hearing and Complaint. Any allegation not denied
16 shall be deemed admitted. Any defense not raised in the Answer shall be deemed waived.

17 Under A.A.C. R20-4-1209(D), if no Answer is filed, or is not timely filed, Respondents shall be
18 deemed in default and the Department can consider the allegations in this Notice of Hearing
19 and Complaint as true and admitted, and the Administrative Law Judge or the Superintendent
20 may take whatever action they deem appropriate.

21 Under A.A.C. Rules 2-19-106 and 2-19-110, motions to continue this matter shall be made in
22 writing to the Administrative Law Judge at least fifteen (15) business days before the date set for the
23 administrative hearing. A copy of any motion to continue shall be mailed or hand-delivered to the
24 opposing party and the designated Assistant Attorney General on the same date of filing with the
25 Office of Administrative Hearings.

1 Under A.R.S. § 41-1092.07(E), a clear and accurate record of the proceedings will be made
2 by a court reporter or by electronic means. Any party that requests a transcript of the proceedings
3 shall pay the cost of the transcript for the court reporter or other transcriber.

4 The purpose of the administrative hearing is to determine whether grounds exist to revoke the
5 money transmitter license of Zein Money Transmitter LLC d/b/a Zein Money Transmitter
6 (“Respondent Company” or “Zein”) and Amar Eltahir (Mr. Eltahir”) Managing Member of
7 Respondent Company (collectively, “Respondents”); to order any other remedy necessary or proper
8 for the enforcement of statutes and rules regulating money transmitters in Arizona under A.R.S.
9 §§ 6-123 and 6-131; and, if needed, to impose upon Respondents a civil money penalty under A.R.S.
10 § 6-132.

11 **As a party to this proceeding, you have the right to request an informal settlement**
12 **conference (“ISC”), under A.R.S. § 41-1092.06.** To request an ISC you must file a written request
13 with the Department no later than **twenty (20) days** before a scheduled hearing. The ISC will be
14 held within **fifteen (15) days** after receipt of your request. At any ISC, a person with the authority to
15 act on behalf of the Department will be present (the “Department Representative”). Likewise,
16 Respondents must have a person with authority to act at the ISC. Please note that in requesting an
17 ISC, you waive any right to object to the participation of the Department Representative in the final
18 administrative decision of this matter. Furthermore, any written or oral statements made by the
19 Department, Respondents, or their representatives at an ISC, including written documentation
20 created or used solely for purposes of settlement negotiations, is inadmissible in any subsequent
21 administrative or judicial hearing. *See* A.R.S. § 41-1092.06. Conversely, any written or oral
22 statements made by any party outside an ISC may be admissible in any subsequent hearing.

23 Under the Americans with Disabilities Act, the Office of Administrative Hearings endeavors
24 to ensure the accessibility of its hearings to all persons with disabilities. Persons with disabilities
25 may request reasonable accommodations such as interpreters, alternative formats, or assistance with
26 physical accessibility. Requests for accommodations must be made at least fourteen (14) days before

1 the administrative hearing. If you require accommodations, please contact the Office of
2 Administrative Hearings at (602) 542-9826.

3 Questions concerning issues raised in this Notice should be directed to Assistant Attorney
4 General, Roberto Pulver, 1275 West Washington, Phoenix, AZ 85007, telephone number (602) 542-
5 7720, or by e-mail at Roberto.Pulver@azag.gov.

6 PARTIES & JURISDICTION

7 1. The Department was created and enabled to administer certain laws of the State of
8 Arizona by protecting the public interest through licensure and regulation of money transmitters in
9 this state. *See* A.R.S. §§ 6-110; -1201 to -1242.

10 2. Zein is an Arizona Limited Liability Company, authorized to do business in Arizona.

11 3. Zein is licensed by the Department as a money transmitter business within the
12 meaning of A.R.S. § 6-1201(11).

13 4. At all times relevant to this Notice of Hearing and Complaint, Mr. Eltahir is the
14 Managing Member and the "controlling person," as defined by A.R.S. § 6-1201(4), of Respondent
15 Company.

16 5. Zein and Mr. Eltahir are not exempted from licensure as a money transmitter business
17 within the meaning of A.R.S. § 6-1203.

18 6. The Office of Administrative Hearings has subject matter and personal jurisdiction
19 over the named parties in this Notice of Hearing and Complaint under A.R.S. § 6-138 and A.R.S. §
20 41-1092 *et seq.*

21 FINDINGS OF FACT

22 7. On April, 8, 2016, the Department issued Zein's original Arizona money transmitter
23 license, No. 0930918.

24 8. On November 1, 2016, approximately seven months after the Department issued the
25 license, the Department conducted an on-site examination of Zein.

26 9. The Department's examination of Zein disclosed the following violations:

- 1 a. Zein failed to maintain a net worth of at least one hundred thousand dollars
2 (\$100,000.00) between April 8, 2016, and November 1, 2016:
- 3 i. Respondents failed to provide the Department's Examiner with any current
4 financial statements showing Zein had a net worth of one hundred thousand
5 dollars (\$100,000.00).
- 6 ii. At all times, Zein failed to maintain a net worth of at least one hundred thousand
7 dollars (\$100,000.00), calculated according to generally accepted accounting
8 principles ("GAAP").
- 9 b. Zein failed to file with the Superintendent a complete quarterly report or a
10 consolidated financial statement for the quarter ending September 30, 2016.
11 Specifically, Respondents did not file with the Superintendent within forty-five (45)
12 days after the end of each fiscal quarter a consolidated financial statement including a
13 balance sheet, and income and expense statements.
- 14 c. Zein's business books, accounts, and records are not maintained in accordance with
15 GAAP.
- 16 i. The Department's Examiner discovered that Mr. Eltahir commingled his
17 personal funds with Zein's business accounts, which is contrary to GAAP.
- 18 ii. Additionally, Mr. Eltahir admitted to the Department's Examiner that he used
19 Zein's business checking account to promote or assist businesses he owns.
- 20 d. Respondents failed to keep and maintain all of Zein's business records at its principal
21 place of business. Further, Respondents failed to notify the Superintendent of the
22 location where Zein's business records are kept and maintained.
- 23 e. Respondents failed to collect and/or retain adequate records for transactions involving
24 the receipt of money from money transmitter customers. Zein's records that were
25 provided did not include (1) Zein's name, (2) the street address of the location where
26 the transmitted money was received, (3) the approximate date of the money

1 transaction, and (4) the name of the employee who conducted each transaction.

2 f. Respondents failed to have, develop, implement, and maintain an anti-money
3 laundering program in accordance with the federal Patriot Act and state laws. Zein
4 had no anti-money laundering compliance officer, no formal training program, no
5 written policies and procedures, and no compliance testing program. Respondents are
6 operating a money transmitter business with no anti-money laundering program to
7 protect the Arizona public.

8 g. Respondents failed to deliver and make available to the Department's Examiner any
9 policies and procedures that promote compliance with the Currency and Foreign
10 Transaction Reporting Act. The Department's Examiner invited Respondents to mail
11 those policies and procedures to him, but to date no such records have been provided.
12 Due to Respondents' failure, the Department's Examiner was unable to determine if
13 Respondents created such policies and procedures.

14 h. Respondents failed to collect and/or retain adequate records for all money transmitter
15 transactions in the amount of one thousand dollar (\$1,000.00) or more that occurred
16 during the time period encompassed by the examination. Respondents failed to
17 collect and retain information regarding (1) the money transmitter customer's name
18 and social security number or taxpayer identification number, (2) customer's verified
19 photographic identification as required by federal regulation, (3) customer's current
20 occupation, (4) customer's current residential address, and (5) customer's signature.

21 The Department's Examiner invited Respondents to mail this information to him, but
22 to date no such records have been provided.

23 i. Respondents failed to create policies and procedures specifically outlining and
24 prohibiting the acceptance of anything of value that is intended to influence or reward
25 Respondent Company or its employees involved with a money transmitter
26 transaction.

1 18. Respondents violated A.R.S. § 6-1205.01 by failing to maintain at all times a net
2 worth of at least one hundred thousand dollars (\$100,000.00), calculated according to GAAP.

3 19. Respondents violated A.R.S. § 6-1211 by failing to file with the Superintendent a
4 consolidated financial statement which must include a balance sheet, income and expense
5 statements, and a list of all authorized delegates, branch managers, responsible individuals and
6 locations within this state that have been added or terminated by the licensee within the fiscal
7 quarter.

8 20. Respondents violated A.R.S. § 6-1213(A) by failing to keep their business books,
9 accounts, and records in accordance with GAAP which prevented the Superintendent from
10 determining whether Respondents were complying with the provisions of A.R.S. Title 6. Moreover,
11 Respondents failed to preserve business records for at least five (5) years after making the final entry
12 on any transaction.

13 21. Respondents violated A.R.S. § 6-1213(C) by failing to maintain Zein's business
14 records at its principal place of business, and by failing to notify the Superintendent of another
15 location designated for business records to be kept.

16 22. Respondents violated A.R.S. § 6-1215(B) by failing to maintain adequate written
17 records of all transactions involving the receipt of money from consumers.

18 23. Respondents violated A.R.S. § 6-1241(D) by failing to provide any anti-money
19 laundering policies, procedures, and training to comply with the federal Patriot Act and state laws.

20 24. Respondents violated A.R.S. § 6-1241(G) by failing to create and/or deliver records
21 that reflect the provision of updated operating policies and procedures as required by A.R.S. § 6-
22 1208 (B) and instructions that promote compliance with the Currency and Foreign Transaction
23 Reporting Act.

24 25. Respondents violated A.R.S. § 6-1241(E) by failing to keep adequate records of
25 customers' identities involving transmissions of one thousand dollars (\$1,000.00) or more.

26 26. Respondents violated A.R.S. § 13-2317(C) by failing to maintain a specific policy

1 regarding the acceptance of anything of value which is intended to influence or reward in connection
2 with money transmission transactions.

3 27. Under A.R.S. § 6-132, Zein and Mr. Eltahir's violations of the aforementioned
4 statutes are grounds to assess a civil penalty of not more than five thousand dollars (\$5,000.00) for
5 each violation for each day.

6 28. The Department assesses a civil money penalty against Zein and Mr. Eltahir in the
7 amount of fifty thousand dollars (\$50,000.00), wherein they are jointly and severally liable for this
8 civil penalty.

9 29. Respondents' violations of law set forth above in the Findings of Fact constitute
10 sufficient grounds to revoke Money Transmitter License No. 0930918 issued to Zein under A.R.S.
11 § 6-1210.

12 30. Respondents' violations of law set forth above constitute sufficient grounds for the
13 pursuit of any other remedies against them that are necessary or proper for the enforcement of the
14 statutes and rules regulating money transmitters under A.R.S. §§ 6-123; 6-131; 6-1201 *et seq.*

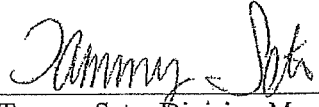
15 **WHEREFORE**, on the basis of the foregoing, the Department requests:

- 16 A. That Zein Money Transmitter LLC's money transmitter license is revoked;
- 17 B. That Zein Money Transmitter LLC and Mr. Eltahir are required to pay the
18 Department a civil money penalty of fifty thousand dollars (\$50,000.00), which was
19 assessed against them in the Cease and Desist Order.
- 20 C. That Zein Money Transmitter LLC and Mr. Eltahir are jointly and severally liable for
21 the civil money penalty of fifty thousand dollars (\$50,000.00).
- 22 D. That Zein Money Transmitter LLC and Mr. Eltahir cease and desist doing business as
23 a money transmitter.
- 24 E. That the tribunal provide any further relief it deems necessary or proper to enforce the
25 statutes and rules regulating money transmitters as applied to Zein and Mr. Eltahir.
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DATED this 24th day of March, 2017.

Robert D. Charlton, Superintendent
Arizona Department of Financial Institutions

By 
Tammy Seto, Division Manager
Consumer Affairs & MSBs
Department of Financial Institutions

ORIGINAL of the foregoing filed this 24th
day of March, 2017, in the office of:

Robert D. Charlton, Superintendent
Arizona Department of Financial Institutions
ATTN: June Beckwith
2910 N. 44th Street, Suite 310
Phoenix, Arizona 85018
JBeckwith@azdfi.gov

1 COPY of the foregoing E-Filed same date to:

2 Tammy Eigenheer, Administrative Law Judge
3 Office of the Administrative Hearings
4 1400 West Washington, Suite 101
5 Phoenix, AZ 85007

6 COPY of the foregoing mailed/delivered same date to:

7 Roberto Pulver, Assistant Attorney General
8 Office of the Attorney General
9 1275 West Washington
10 Phoenix, Arizona 85007
11 Roberto.Pulver@azag.gov

12 Tammy Seto, Division Manager
13 Mark Murphy, Examiner-in-Charge
14 ATTN: Linda Lutz
15 Arizona Department of Financial Institutions
16 2910 N. 44th Street, Suite 310
17 Phoenix, Arizona 85018
18 LLutz@azdfi.gov

19 COPY mailed same date by
20 Certified Mail, Return Receipt Requested, to:

21 91 7199 9991 7035 4211 9918
22 Amar Eltahir, Member
23 Zein Money Transmitter, LLC d/b/a
24 Zein Money Transmitter
25 3411 West Northern Avenue, Suite F
26 Phoenix, AZ 85051

zeinmoneytransmitter@gmail.com

Respondents

91 7199 9991 7035 4211 9901
Amar Eltahir, Statutory Agent
1702 West Tuckey Lane, #204
Phoenix, AZ 85015
Statutory Agent for Respondent Company

21 Honasa Cathouze
22 # 5796943v3

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EXHIBIT A

Cease and Desist Order

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Money Transmitter License of:

No. 17F-BD 027 -SBD

3 ZEIN MONEY TRANSMITTER LLC d/b/a
4 ZEIN MONEY TRANSMITTER, and AMAR
5 ELTAHIR, MEMBER; Arizona Money
Transmitter License No.: 0930918

**ORDER TO CEASE AND DESIST;
NOTICE OF OPPORTUNITY FOR
HEARING; CONSENT TO ENTRY OF
ORDER**

6 3411 West Northern Avenue, Suite F
7 Phoenix, AZ 85051

8 Respondents.

9 Under Arizona Revised Statutes ("A.R.S.") § 6-137, the Superintendent of the Arizona
10 Department of Financial Institutions ("Superintendent") issues this Cease and Desist Order
11 ("Order"), containing the following Findings of Fact and Conclusions of Law, against Zein Money
12 Transmitter LLC d/b/a Zein Money Transmitter ("Respondent Company") and Amar Eltahir ("Mr.
13 Eltahir") Managing Member of Respondent Company (collectively, "Respondents").

14 Under A.R.S. Titles 6 and 41 and Chapter 4 of the Arizona Administrative Code
15 ("A.A.C."), Respondents have the right to request a hearing to contest the allegations set forth
16 in this Order. The Request for Hearing shall be filed with the Arizona Department of Financial
17 Institutions (the "Department"), under A.R.S. § 6-137(D), within **thirty (30) days** of service of this
18 Order and shall provide a concise statement of the reason(s) for appeal in accordance with A.R.S.
19 § 41-1092.03(B).

20 Under A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or her
21 own behalf or by counsel. If Respondents are represented by counsel, the information required by
22 A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a Request
23 for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for an
24 administrative hearing before the Office of Administrative Hearings in accordance with A.R.S. § 41-
25 1092.05.

1 Persons with disabilities may request reasonable accommodations such as interpreters,
2 alternative formats, or assistance with physical accessibility. Requests for special accommodations
3 must be made at least seven (7) days before the administrative hearing. To request accommodations,
4 call the Office of Administrative Hearings at (602) 542-9826.

5 As a party to this proceeding, you also have the right to request an informal settlement
6 conference ("ISC"), under A.R.S. § 41-1092.06. To request an ISC you must file a written request
7 with the Department no later than twenty (20) days before a scheduled hearing. The ISC will be
8 held within fifteen (15) days after receipt of your request. At any ISC, a person with the authority to
9 act on behalf of the Department will be present (the "Department Representative"). Likewise,
10 Respondents must have a person with authority to act at the ISC. Please note that in requesting an
11 ISC, you waive any right to object to the participation of the Department Representative in the final
12 administrative decision of this matter. Furthermore, any written or oral statements made by the
13 Department, Respondents, or their representatives at an ISC, including written documentation
14 created or used solely for purposes of settlement negotiations, is inadmissible in any subsequent
15 administrative or judicial hearing. See A.R.S. § 41-1092.06. Conversely, any written or oral
16 statements made by any party outside an ISC may be admissible in any subsequent hearing.

17 **If Respondents do not request a hearing, this Order shall become final.** If Respondents
18 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
19 issuance of an order, under A.R.S. § 6-137, directing Respondents to cease and desist from the
20 prohibited practices and to take the necessary affirmative actions, within a reasonable period of time
21 prescribed by the Superintendent, to correct the conditions resulting from the prohibited acts,
22 practices, and transactions; (2) the imposition of a civil monetary penalty, under A.R.S. § 6-132; (3)
23 the suspension or revocation of Respondents' licenses, under A.R.S. § 32-1053; (4) an order to pay
24 restitution of any fees earned in violation of A.R.S. § 32-1001, *et seq.*; and (5) an order or any other
25 necessary or proper remedy to enforce the statutes and rules regulating a money transmitter business,
26

1 under A.R.S. §§ 6-123 and 6-131.

2 Questions about this Cease and Desist Order should be directed to Assistant Attorney
3 General Roberto Pulver, 1275 West Washington Street, Phoenix, Arizona 85007, telephone number
4 (602) 542-7720, or by e-mail at Roberto.Pulver@azag.gov.

5 **JURISDICTION AND PARTIES**

6 1. The Department was created and enabled to administer certain laws and regulations of
7 the State of Arizona by protecting the public interest through the licensure and regulation of Arizona
8 money transmitter businesses. A.R.S. §§ 6-101, -110, -121, -139.

9 2. Respondent Company is an Arizona Limited Liability Company authorized to do
10 business in Arizona.

11 3. Respondent Company is licensed by the Department as a money transmitter business
12 within the meaning of A.R.S. § 6-1201(11). Respondent Company's Money Transmitter License
13 Number is 0930918 and was first issued on April 8, 2016.

14 4. At all times relevant to this Order, Mr. Eltahir is the Managing Member and the
15 "controlling person," as defined by A.R.S. 6-1201(4), of Respondent Company.

16 5. Respondents are not exempt from licensure as a money transmitter business within the
17 meaning of A.R.S. § 6-1203.

18 **FINDINGS OF FACT**

19 6. On November 1, 2016, the Department conducted an on-site examination of
20 Respondent Company, which revealed the following:

21 7. Respondent Company failed to maintain a net worth of at least one hundred thousand
22 dollars (\$100,000.00) from April 8, 2016 to November 1, 2016. Respondents failed to provide the
23 Department's Examiner with any current financial statements showing Respondent Company had a
24 net worth of one hundred thousand dollars (\$100,000.00). At all times, Respondent Company failed
25 to maintain a net worth of at least one hundred thousand dollars (\$100,000.00), calculated according
26

1 to generally accepted accounting principles ("GAAP").

2 8. Respondent Company failed to file with the Superintendent a complete quarterly
3 report or a consolidated financial statement for the quarter ending September 30, 2016. The bank
4 statements Respondents filed with the Superintendent for the quarter do not constitute a quarterly
5 report or a consolidated financial statement. Respondents are required to file with the
6 Superintendent within forty-five (45) days after the end of each fiscal quarter a consolidated
7 financial statement including a balance sheet and income and expense statements.

8 9. Respondent Company's business books, accounts, and records are not maintained in
9 accordance with GAAP. The Department's Examiner discovered that Mr. Eltahir commingled his
10 personal funds with Respondent Company's business accounts, which is contrary to GAAP.
11 Mr. Eltahir admitted to the Department's Examiner that he used Respondent Company's business
12 checking account for other businesses he owns. Further, Respondents failed to preserve business
13 records for at least five (5) years after making the final entry on any transaction.

14 10. Respondents failed to keep and maintain all of Respondent Company's business
15 records at Respondent Company's principal place of business. Further, Respondents failed to notify
16 the Superintendent of the location where the Respondent Company's business records are kept and
17 maintained.

18 11. Respondents failed to collect and/or retain adequate records for transactions involving
19 the receipt of money from money transmitter customers. Respondent Company's records provided
20 did not include (1) the name of Respondent Company, (2) the street address of the location where the
21 transmitted money was received, (3) the approximate date of the money transaction, and (4) the
22 name of the employee who conducted each transaction.

23 12. Respondents failed to have, develop, implement, and maintain an anti-money
24 laundering program in accordance with the federal Patriot Act and state laws. Respondent Company
25 had no anti-money laundering compliance officer, no formal training program, no written policies
26

1 and procedures, and no compliance testing program. Respondents are operating a money transmitter
2 business with no anti-money laundering program to protect the Arizona public.

3 13. Respondents failed to deliver and make available to the Department's Examiner any
4 policies and procedures that promote compliance with the Currency and Foreign Transaction
5 Reporting Act. The Department Examiner invited Respondents to mail those policies and
6 procedures to him, but to date no such records have been provided. Due to Respondents' failure, the
7 Department's Examiner was unable to determine if Respondents created such necessary policies and
8 procedures.

9 14. Respondents failed to collect and/or retain adequate records for all money transmitter
10 transactions in the amount of one thousand dollar (\$1,000.00) or more that occurred during the time
11 period encompassed by the examination. Respondents failed to collect and retain information
12 regarding (1) the money transmitter customer's name and social security number or taxpayer
13 identification number, (2) customer's verified photographic identification as required by federal
14 regulation, (3) customer's current occupation, (4) customer's current residential address, and (5)
15 customer's signature. The Department's Examiner invited Respondents to mail this information to
16 him, but to date no such records have been provided.

17 15. Respondents failed to create policies and procedures specifically outlining and
18 prohibiting the acceptance of anything of value that is intended to influence or reward Respondent
19 Company or its employees involved with money transmitter transactions.

20 16. These Findings of Fact shall also serve as Conclusions of Law.

21 **CONCLUSIONS OF LAW**

22 17. Respondents' conduct, as alleged above, constitutes a violation of the statutes and
23 rules governing a money transmitter business as follows:

24 18. Respondents violated A.R.S. § 6-1205.01 by failing to maintain at all times a net
25 worth of at least one hundred thousand dollars (\$100,000.00), calculated according to GAAP, as
26

1 explained in paragraph 7.

2 19. Respondents violated A.R.S. § 6-1211 by failing to file with the Superintendent a
3 consolidated financial statement which must include a balance sheet, income and expense
4 statements, and a list of all authorized delegates, branch managers, responsible individuals and
5 locations within this state that have been added or terminated by the licensee within the fiscal quarter
6 as explained in paragraph 8.

7 20. Respondents violated A.R.S. § 6-1213(A) by failing to keep their business books,
8 accounts, and records in accordance with GAAP which prevented the Superintendent from
9 determining whether Respondents were complying with the provisions of A.R.S. Title 6 as explained
10 in paragraph 9. Moreover, Respondents failed to preserve business records for at least five (5) years
11 after making the final entry on any transaction as explained in paragraph 9.

12 21. Respondents violated A.R.S. § 6-1213(C) by failing to maintain Respondent
13 Company's business records at its principal place of business, and by failing to notify the
14 Superintendent of another location designated for business records to be kept as explained in
15 paragraph 10.

16 22. Respondents violated A.R.S. § 6-1215(B) by failing to maintain adequate written
17 records of all transactions involving the receipt of money from consumers as explained in paragraph
18 11.

19 23. Respondents violated A.R.S. § 6-1241(D) by failing to provide any anti-money
20 laundering policies, procedures, and training to comply with the federal Patriot Act and state laws as
21 explained in paragraph 12.

22 24. Respondents violated A.R.S. § 6-1241(G) by failing to create and/or deliver records
23 that reflect the provision of updated operating policies and procedures as required by A.R.S. § 6-
24 1208(B) and instructions that promote compliance with the Currency and Foreign Transaction
25 Reporting Act as explained in paragraph 13.

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next six (6) months, not later than ten (10) business days of the close of each statement period.

- b. File with the Superintendent a consolidated financial statement for each fiscal quarter which includes a balance sheet, income and expense statements, and a list of all authorized delegates, branch managers, responsible individuals and locations within this state that have been added or terminated by the licensee within the fiscal quarter as required by A.R.S. § 6-1211.
- c. Keep and maintain their business books, accounts and records in accordance with GAAP as required by A.R.S. § 6-1213(A).
- d. Maintain business records at the principal place of business or, with notice to the Superintendent, at another location designated by Respondents as required by A.R.S. § 6-1213(C).
- e. Maintain adequate written record for every transaction involving the receipt of money from a customer as required by A.R.S. § 6-1215(B).
- f. Develop, implement, and maintain an effective anti-money laundering program as required by A.R.S. § 6-1241(D)
- g. Institute policies, procedures, and proper training of employees to ensure collection and retention of customer identification, and maintaining necessary records required by A.R.S. § 6-1241(G).
- h. Collect and retain records of customers' identities on all transactions of one thousand dollars (\$1,000) or more as required by A.R.S. § 6-1241(E).
- i. Institute policies and procedures prohibiting the acceptance of anything of value that is intended to influence or reward Respondent Company or its employees in connection with money transmitter transactions as required by A.R.S. § 13-2317(C).

1 30. Respondents shall immediately pay to the Department a civil money penalty in the
2 amount of **fifty thousand dollars (\$50,000.00)**.

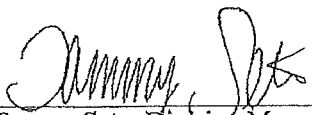
3 31. Respondents shall also immediately pay to the Department an examination fee in the
4 amount of **one thousand five hundred sixty dollars (\$1,560.00)**.

5 32. The provisions of this Order shall be binding upon Respondent Company, its
6 directors, officers, members, employees, agents, representatives, and any other persons or entities
7 directly or indirectly participating in the affairs of Respondent Company.

8 33. This Order shall become effective upon service, and shall remain effective and
9 enforceable until such time as, and except to the extent that, it shall be stayed, modified,
10 terminated or set aside.

11 SO ORDERED this 10th day of January 2017.

12 Robert D. Charlton, Superintendent
13 Arizona Department of Financial Institutions

14 By: 
15 _____
16 Tammy Seto, Division Manager
17 Consumer Affairs & MSBs
18 Department of Financial Institutions

19 **NOTICE**

20 If Respondents do not want to contest this Order and its assessments, Respondents can
21 consent to this Order by signing the Consent to Entry of Order (see below) and returning it
22 to the Department with a certified or cashier's check payable to the "Arizona Department
23 of Financial Institutions" in the amount of \$51,560.00.

24 **CONSENT TO ENTRY OF ORDER**

25 A. Respondents acknowledge that they have been served with a copy of the foregoing
26 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read it, are
aware of their right to an administrative hearing in this matter, and have knowingly, intelligently,

1 and voluntarily waived that right.

2 B. Respondents accept the personal and subject matter jurisdiction of the Department
3 and Superintendent over them as to this matter.

4 C. Respondents consent to the entry of the foregoing Findings of Fact, Conclusions of
5 Law, and Consent to Entry of Order.

6 D. Respondents acknowledging that no promises or inducements of any kind have been
7 made to induce them to the sign the Consent to Entry of Order and they do so intelligently and
8 voluntarily.

9 E. Respondents agree to immediately cease and desist from engaging in the prohibited
10 conduct or practices set forth above in the Findings of Fact and Conclusions of Law.

11 F. Respondents acknowledge that the acceptance of this Consent to Entry of Order by
12 the Superintendent is solely to settle this matter and does not preclude this Department or any other
13 agency of this state or subdivision thereof from instituting other proceedings as may be appropriate
14 now or in the future.

15 G. Respondents acknowledge and agree that failure to correct the violations set forth
16 above in this Order or any future findings of repeat violations may result in disciplinary action that
17 may include a greater civil money penalty.

18 H. Amar Eltahir represents that he is the Managing Member of Zein Money Transmitter
19 LLC and is authorized by Zein Money Transmitter LLC to sign the Consent to Entry of Order on its
20 behalf.

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I. Respondents waive all rights to seek any administrative or judicial review or otherwise to challenge or contest the validity of this Cease and Desist Order before any court of competent jurisdiction.

DATED this ____ day of January 2017

By: _____
Amar Eltahir, Managing Member
Zcin Money Transmitter LLC

ORIGINAL of the foregoing filed
this 10th day of January, 2017 in the office of:

Robert D. Charlton, Superintendent
Arizona Department of Financial Institutions
ATTN: June Beckwith
2910 N. 44th Street, Suite 310
Phoenix, Arizona 85018
JBeckwith@azdfi.gov

COPY of the foregoing mailed/delivered same date to:

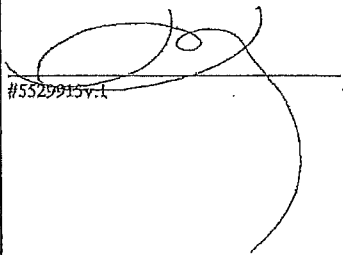
Roberto Pulver, Assistant Attorney General
Office of the Attorney General
ATTN: Teresa Carranza
1275 West Washington
Phoenix, Arizona 85007
Roberto.Pulver@azag.gov
Teresa.Carranza@azag.gov

1 Tammy Seto, Division Manager
Mark Murphy, Examiner-in-Charge
2 Arizona Department of Financial Institutions
ATTN: Linda Lutz
3 2910 N. 44th Street, Suite 310
Phoenix, Arizona 85018
4 LLutz@azdfi.gov

5 **COPY** mailed same date by
Certified Mail, Return Receipt Requested, to:

6 Amar Eltahir, Managing Member
7 Zein Money Transmitter LLC
3411 West Northern Avenue, Suite F
8 Phoenix, AZ 85051
Respondents

9 Amar Eltahir, Statutory Agent
10 1702 West Tuckey Lane, #204
Phoenix, AZ 85015
11 Statutory Agent for Respondent Company

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13 #5529915v.1
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