

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

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

No. 10F-BD002-SBD

CONSENT ORDER

4 **OMNEX GROUP, INC. AND DARREN**
5 **MANELSKI, PRESIDENT**
580 Sylvan Avenue, Suite M-A
Englewood Cliffs, NJ 07632

6 Respondents.
7

8 On July 6, 2009, the Arizona Department of Financial Institutions (“Department”) issued an
9 Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order, alleging
10 that Respondents had violated Arizona law. Wishing to resolve this matter in lieu of an
11 administrative hearing, Respondents consent to the following Findings of Fact and Conclusions of
12 Law, and consent to the entry of the following Order.

13 FINDINGS OF FACT

14 1. Respondent Omnex Group, Inc. (“Omnex”) is a California corporation authorized to
15 transact business in Arizona as a money transmitter, license number MT 0904767, within the
16 meaning of A.R.S. §§ 6-1201, *et seq.* The nature of Omnex’s business is that of a money transmitter
17 within the meaning of A.R.S. § 6-1201(11).

18 2. Respondent Darren Manelski (“Mr. Manelski”) is the President of Omnex and is
19 authorized to transact business in Arizona as a money transmitter within the meaning of A.R.S.
20 §§ 6-1201, *et seq.*

21 3. A March 24, 2009 through March 26, 2009 examination of Omnex, conducted by the
22 Department, revealed that Omnex and Mr. Manelski:

- 23 a. Failed to provide each authorized delegate complete operating policies and
24 procedures sufficient to permit compliance by the authorized delegate with provisions
25 of Title 13, Chapter 23 and Title 6, Chapter 12;
- 26 b. Failed to keep adequate records of customers’ identities for each transaction

1 involving the transmission of money in an amount of one thousand dollars
2 (\$1,000.00), or more; specifically:

- 3 i. Failed to record the customers' current occupation for 831 transactions out of a
4 total 3,594 transactions of one thousand dollars (\$1,000.00), or more; and
- 5 ii. Out of a total of 3,594 sending transactions of one thousand dollars (\$1,000), or
6 greater, 3,080 transactions were found with no social security numbers; and
- 7 c. Failed to update its policies and procedures to promote compliance of obtaining
8 customers' identification requirements for sending transactions of one thousand
9 dollars (\$1,000.00), or more; specifically:
 - 10 i. Respondents failed to create records of specific training for its employees; and
- 11 d. Failed to deliver customer identification records created pursuant to A.R.S.
12 § 6-1241(E), to the Attorney General after three years; specifically:
 - 13 i. Respondents failed to provide a retention letter to the Attorney General, as
14 required by, and in compliance with, the Department's Regulatory Bulletin,
15 MT-05-01.

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

17 CONCLUSIONS OF LAW

18 1. Pursuant to A.R.S. §§ 6-1201, *et seq.*, the Superintendent has the authority and the duty
19 to regulate all persons engaged in the money transmitter business and with the enforcement of
20 statutes, rules, and regulations relating to money transmitters.

21 2. By the conduct set forth above in the Findings of Fact, Omnex and Mr. Manelski violated
22 the following:

- 23 a. A.R.S. § 6-1208(B) by failing to provide each authorized delegate with operating
24 policies and procedures sufficient to permit compliance by the delegates with
25 provisions of Title 13, Chapter 23 and Title 6, Chapter 12;
- 26 b. A.R.S. § 6-1241(E) by failing to keep adequate records of customers' identities for

1 each transaction involving the transmission money in an amount of one thousand
2 dollars (\$1,000.00), or more;

3 c. A.R.S. § 6-1241(G) by failing to update its policies and procedures to promote
4 compliance of obtaining identification requirements for transactions of one thousand
5 dollars (\$1,000.00) or more; and

6 d. A.R.S. § 6-1241(I) and the Department's Regulatory Bulletin MT-05-01 by failing to
7 provide a retention letter to the Attorney General.

8 3. The violations, set forth above, constitute grounds for: (1) the issuance of an order
9 pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the violative conduct and
10 to take the appropriate affirmative actions, within a reasonable period of time prescribed by the
11 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and
12 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the
13 suspension or revocation of Respondents' license pursuant to A.R.S. § 6-1210; (4) an order to pay
14 restitution of any fees earned in violation of A.R.S. §§ 6-1201, *et seq.*, pursuant to A.R.S. §§ 6-
15 131(A)(3) and 6-137; and (5) an order or any other remedy necessary or proper for the enforcement
16 of statutes and rules regulating money transmitters pursuant to A.R.S. §§ 6-123 and 6-131.

17 **ORDER**

18 1. Omnex and Mr. Manelski shall immediately stop the violations set forth above in the
19 Findings of Fact and Conclusions of Law. Omnex and Mr. Manelski:

20 a. Shall provide each authorized delegate with complete operating policies and
21 procedures;

22 b. Shall keep adequate records of customers' identities for each transaction involving
23 the transmission money in an amount of one thousand dollars (\$1,000.00) or more;

24 c. Shall update its policies and procedures to promote compliance of obtaining
25 customers' identification requirements for transactions of one thousand dollars
26 (\$1,000.00) or more; and

1 d. Shall provide a retention letter to the Attorney General as required by the
2 Department's Regulatory Bulletin MT-05-01.

3 2. Omnex and Mr. Manelski shall comply with all Arizona statutes and rules regulating
4 Arizona money transmitters (A.R.S. §§ 6-1201 *et seq.*).

5 3. Omnex and Mr. Manelski shall immediately pay to the Department a civil money penalty
6 in the amount of **fifteen thousand dollars (\$15,000.00)**. Omnex and Mr. Manelski are jointly and
7 severally liable for payment of the civil money penalty.


8 4. Omnex and Mr. Manelski shall immediately pay to the Department the examination fee,
9 including penalty, in the total amount of **five thousand two hundred seventy dollars (\$5,270.00)**.

10 5. The provisions of this Order shall be binding upon Respondents, their employees, agents,
11 and other persons participating in the conduct of the affairs of Respondents.

12 6. This Order shall become effective upon service, and shall remain effective and
13 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,
14 or set aside.

15 SO ORDERED this 15 day of October, 2009.

16 Thomas L. Wood
17 Acting Superintendent of Financial Institutions

18 By 
19 Robert D. Charlton
20 Assistant Superintendent of Financial Institutions

21 **CONSENT TO ENTRY OF ORDER**

22 1. Respondents acknowledge that they have been served with a copy of the foregoing
23 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the
24 same, are aware of their right to an administrative hearing in this matter, and have waived the same.

25 2. Respondents admit the jurisdiction of the Superintendent and consent to the entry of the
26 foregoing Findings of Fact, Conclusions of Law, and Order.

1 3. Respondents state that no promise of any kind or nature has been made to induce them to
2 consent to the entry of this Order, and that they have done so voluntarily.


3 4. Respondents agree to cease from engaging in the violative conduct set forth above in the
4 Findings of Fact and Conclusions of Law.

5 5. Respondents acknowledge that the acceptance of this Agreement by the Superintendent is
6 solely to settle this matter and does not preclude this Department, any other agency or officer of this
7 state or subdivision thereof from instituting other proceedings as may be appropriate now or in the
8 future.

9 6. Darren Manelski, on behalf of Omnex Group, Inc. and himself, represents that he is the
10 President and that, as such, has been authorized by Omnex Group, Inc. to consent to the entry of this
11 Order on its behalf.

12 7. Respondents waive all rights to seek judicial review or otherwise to challenge or contest
13 the validity of this Order.

14 DATED this 29th day of September, 2009.

15
16 By 
17 Darren Manelski, President
18 Omnex Group, Inc.
19

20 ORIGINAL of the foregoing filed this 15th
21 day of October, 2009, in the office of:

22 Thomas L. Wood
23 Acting Superintendent of Financial Institutions
24 Arizona Department of Financial Institutions
ATTN: Susan Longo
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

25 ...
26 ...

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

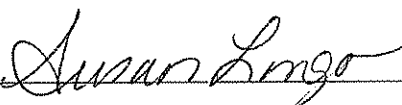
2 Craig A. Raby
3 Assistant Attorney General
4 Arizona Attorney General's Office
1275 West Washington
Phoenix, AZ 85007

5 Robert D. Charlton, Assistant Superintendent
6 Ronald Doba, Senior Examiner
7 Arizona Department of Financial Institutions
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

8 AND COPY MAILED SAME DATE by
9 Certified Mail, Return Receipt Requested, to:

10 Darren Manelski, President
11 Omnex Group, Inc.
580 Sylvan Avenue, Suite M-A
Englewood Cliffs, NJ 07632
12 Respondents

13 Gerald Popovsky
14 General Counsel & Chief Compliance Officer
Omnex Group, Inc.
580 Sylvan Avenue, Suite M-A
Englewood Cliffs, NJ 07632

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