

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES

In the matter of:)
Associated Foreign Exchange, Inc.)
Respondent.)

ORDER NO: 17-232-C
ORDER
ASSESSING CIVIL PENALTIES
AND
CONSENT TO ORDER

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Department”), has conducted an investigation into the business activities of Associated Foreign Exchange, Inc. (“Respondent”) and has determined that Respondent violated certain provisions of AS 06.55 et seq. (“Alaska Uniform Money Services Act”).

Respondent agrees that the Department has jurisdiction over Respondent and these matters pursuant to the Alaska Uniform Money Services Act.

Respondent wishes to resolve and settle this matter with the Department. As evidenced by the authorized signature on this Order, Respondent consents to the entry of this Order to assess civil penalties based on the Conclusions of Law and Order. Respondent waives its right to a hearing.

I. FINDINGS OF FACT

1. Respondent is a corporation organized under the laws of the State of California, file no. C2864179, and maintains a principal place of business at 21045 Califa Street, Woodland Hills, California, 91367. Corporation Service Company is the registered agent.

2. Respondent provides payment solutions and foreign currency exchange services

1 through electronic money transmissions and currency exchange services for small and
2 medium sized businesses and generates fees for these services.

3 3. From August 2008 until April 2012, Respondent provided money transmission
4 services on seventeen occasions by transmitting U.S. dollars to Denmark and then converting
5 those dollars into Danish Kroner and Euros for an Alaskan business. During this time,
6 Respondent acted on the advice of its then-attorney, who advised Respondent that all activity
7 conducted with the Alaska business fell outside the scope of the Alaska Uniform Money
8 Service Act.

9 4. Respondent had no physical office in Alaska and operated solely through the internet
10 with the Alaskan business.

11 5. In June 2012, through notifications from agencies in other states, Respondent became
12 aware that a license may be required in states where it previously maintained business
13 activities. Upon inquiry to the Department, the Department notified Respondent in February
14 2013 that a license was required to conduct business in Alaska. Respondent implemented
15 internal controls and ceased all money transmission transactions with the Alaskan business.
16 Respondent informed the Department that it did not intend to apply for a money transmitter
17 license in Alaska.

18 6. On June 29, 2017, Respondent submitted an application for a money transmission
19 license to the Department. Respondent disclosed in its application that it had engaged in
20 seventeen money transmission transactions for an Alaskan business and generated fees for
21 those transactions.

22 7. Respondent has cooperated with the Department in its investigation into this
23 matter.

24 //

1 **II. CONCLUSIONS OF LAW**

2 1. From August 2008 until April 2012, Respondent engaged in “money transmission” in
3 Alaska as that term is defined in AS 06.55.990(15) by receiving money for transmission for
4 an Alaskan business.

5 2. From August 2008 until April 2012, Respondent violated AS 06.55.101 on seventeen
6 occasions by engaging in money transmission activities in Alaska without a money
7 transmission license.

8 3. Pursuant to AS 06.55.605, Respondent is subject to a civil penalty because it violated
9 AS 06.55.101.

10 4. Pursuant to AS 06.55.407(b), this Order is a public document because the Department
11 determined that the release of information is reasonably necessary for the protection of the
12 public and in the interests of justice.

13 **III. ORDER**

14 Pursuant to AS 06.55.604, and on the basis of the Findings of Fact, Conclusions of Law,
15 and Respondent’s consent to the entry of this Order, it is hereby ORDERED:

16 1. Respondent shall pay a civil penalty in the amount of twenty thousand dollars
17 (\$20,000.00), plus six hundred dollars (\$600.00) to reimburse the Department for the costs of
18 its investigation, for a total amount of twenty thousand six hundred dollars (\$20,600.00).

19 2. This Order is a publicly disclosable document.

20 **IT IS SO ORDERED.**

21 MIKE NAVARRE, Commissioner
22 Department of Commerce, Community,
and Economic Development

23 December 11, 2017
24 Date

/s/ Kevin Anselm
Kevin Anselm, Director

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES
550 WEST SEVENTH AVENUE, SUITE 1850
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-8140

Consent to Entry of Order

Jan Vlietstra, Chief Executive Officer, as authorized representative of Associated Foreign Exchange, Inc. (“Respondent”), acknowledges that he has read the foregoing Order and that he knows and fully understands the Order contents; that Respondent neither admits nor denies any wrongdoing by its entry; that Respondent voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving its right to a hearing in this matter; that Respondent understands that the Department reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Alaska Uniform Money Services Act, and that Respondent will fully comply with the terms and conditions stated herein.

Respondent further assures the Department that Respondent and its officers and employees will only effect currency exchange or money transmissions in Alaska in full compliance with the terms of this Order and the Alaska Uniform Money Services Act.

Respondent acknowledges that this Order is a publicly disclosable document.

12/4/17
Date

/s/ Jan Vlietstra
Jan Vlietstra for
Associated Foreign Exchange, Inc.

SUBSCRIBED AND SWORN TO before me this 4th day of December, 2017 at
Los Angeles, CA.

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES
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/s/ Tatevik Atayan
Notary Public in and for California

Tatevik Atayan
Notary Printed Name
My commission expires: Apr. 30, 2021

Contact Person:
Yvonne Little
Investigator
(907) 269-4584