

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

IN THE MATTER OF:

ZenPayroll, Inc.
d/b/a Gusto
AK-MT-012300
NMLS #1737896

Respondent.

ORDER NO. 20-19-C

**ORDER ASSESSING CIVIL
PENALTIES AND CONSENT TO
ORDER**

The Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Department”), has conducted an investigation into the business activities of ZenPayroll, Inc d.b.a. Gusto (“Respondent”) and has determined that Respondent violated certain provisions of Alaska Statute (“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 formed under the laws of the state of Delaware, and maintains a principal place of business at 525 20th Street, San Francisco, CA 94107. Respondent can be served with process through its registered agent, Vcorps Services, LLC, at 1999 Bryan Street, Suite 900, Dallas, TX 75201.

1 2. Respondent operates a website located at gusto.com. Through Respondent’s
2 website, consumers electronically pay their employees and contractors. Respondent
3 calculates and submits taxes and mandates to the appropriate federal and state divisions,
4 calculates net pay for each consumers’ employee, and facilitates payment to the employee.
5 Respondent transfers funds through the Automated Clearing House (“ACH”) network from
6 the customer’s bank account to the Respondent’s bank accounts, then from the Respondent’s
7 bank accounts to the bank accounts specified by the customer, or to the bank accounts of tax
8 authorities. A customer may choose to wire funds to the Respondent’s bank accounts if the
9 customer misses the deadline for processing a transaction through the ACH. Respondent
10 receives monthly subscription fees based on the consumer’s subscription plan.

11 3. On November 9, 2019, Respondent applied for a money transmission license in
12 Alaska on its own initiative.

13 4. On January 10, 2020, Respondent submitted an Alaska Money Services Business
14 Affidavit (“Affidavit”) through the Nationwide Multistate Licensing System & Registry
15 (“NMLS”), which is the system of record for non-depository financial services licensing or
16 registration in participating state agencies. Respondent reported in its Affidavit that it
17 conducted money transmission in Alaska without a license.

18 5. Upon request by the Department, Respondent provided a log of transaction activity
19 in Alaska from April 2015 through January 2020.

20 6. Respondent has cooperated with the Department in its investigation into this matter.

21 **II. CONCLUSIONS OF LAW**

22 1. From April 2015 until August 2019, Respondent engaged in “money transmission”
23 in Alaska as defined in AS 06.55.990(15) by receiving money or monetary value for
24 transmission.

1 2. From 2015 to 2020, Respondent violated AS 06.55.101(a) by engaging in money
2 transmission in Alaska without a money transmission license.

3 3. Pursuant to AS 06.55.605, Respondent is subject to a civil penalty because it
4 violated AS 06.55.101(a). The Department may assess a civil penalty against a person who
5 violates AS 06.55.010(a) in an amount not to exceed \$1,000 each day for each day the violation
6 is outstanding.

7 4. Pursuant to AS 06.55.407(b), this Order is a public document, as the Department
8 has determined that the release of information is reasonably necessary for the protection of
9 the public and in the interests of justice.

10 **III. ORDER**

11 Pursuant to the Alaska Uniform Money Services Act and on the basis of the Findings of
12 Fact, Conclusions of Law, and Respondent's consent to the entry of this Order, it is hereby

13 **ORDERED:**

14 1. Respondent shall pay a civil penalty under AS 06.55.605 in the amount of \$31,500,
15 plus \$1,000 to reimburse the Department for the costs of its investigation, for a total amount of
16 \$32,500. This amount was calculated at \$6,300 for each year Respondent engaged in
17 unlicensed activity.

18 2. Respondent shall comply with all provisions of the Alaska Uniform Money Services
19 Act and associated regulations.

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3. This Order is a publicly disclosable document and is reportable to the NMLS.

IT IS SO ORDERED.

JULIE ANDERSON, Commissioner
Department of Commerce, Community and
Economic Development

DATED: 6/23/2021

/s/ F. James McConnell
BY: F. James McConnell, Director
Division of Banking and Securities

1 **Consent to Entry of Order**

2 Alyssa Harvey Dawson, Chief Legal Officer, as authorized representative of
3 ZenPayroll, Inc. (“Respondent ”), acknowledges that she has read the foregoing Order and
4 that she knows and fully understands the Order contents; that Respondent acknowledges
5 violation of the Alaska Uniform Money Services Act; that Respondent voluntarily and
6 without any force or duress, consents to the entry of this Order, expressly waiving its right to
7 a hearing in this matter; that Respondent understands that the Department reserves the right
8 to take further actions to enforce this Order or to take appropriate action upon discovery of
9 other violations of the Alaska Uniform Money Services Act, and that Respondent will fully
10 comply with the terms and conditions stated herein.

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1 Respondent further assures the Department that Respondent and its officers,
2 employees and agents will only effect money transmissions in Alaska in full compliance with
3 the terms of this Order and the Alaska Uniform Money Services Act.

4 Respondent acknowledges that this Order is a publicly disclosable document.

5 6/2/2021 /s/ Alyssa Harvey Dawson
6 Date Alyssa Harvey Dawson
7 Chief Legal Officer, ZenPayroll, Inc.

8 SUBSCRIBED AND SWORN TO before me this 2nd day of June, 2021 at
9 Stamford, CT.

10 /s/ Alyssa Harvey Dawson
11 Notary Public in and for _____

12 /s/ Jesenia Sena
13 Notary Printed Name
14 My commission expires: 02/28/25

15 **Approved as to form and content:**

16 5-11-2021 /s/ Robert Savoie
17 Date Robert Savoie, Attorney for
18 ZenPayroll, Inc.

19
20 Contact Person:
21 Robert Renuart
22 Investigator
23 (907) 269-7675
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