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

ORDER TO ASSESS CIVIL PENALTIES  

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, VeCorp Services, LLC, at 1999 Bryan Street, Suite 900, Dallas, TX 75201.
2. Respondent operates a website located at gusto.com. Through Respondent’s website, consumers electronically pay their employees and contractors. Respondent calculates and submits taxes and mandates to the appropriate federal and state divisions, calculates net pay for each consumers’ employee, and facilitates payment to the employee. Respondent transfers funds through the Automated Clearing House (“ACH”) network from the customer’s bank account to the Respondent’s bank accounts, then from the Respondent’s bank accounts to the bank accounts specified by the customer, or to the bank accounts of tax authorities. A customer may choose to wire funds to the Respondent’s bank accounts if the customer misses the deadline for processing a transaction through the ACH. Respondent receives monthly subscription fees based on the consumer’s subscription plan.

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

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

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

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

II. CONCLUSIONS OF LAW

1. From April 2015 until August 2019, Respondent engaged in “money transmission” in Alaska as defined in AS 06.55.990(15) by receiving money or monetary value for transmission.
2. From 2015 to 2020, Respondent violated AS 06.55.101(a) by engaging in money transmission in Alaska without a money transmission license.

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

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

III. ORDER

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

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

2. Respondent shall comply with all provisions of the Alaska Uniform Money Services Act and associated regulations.
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
Alyssa Harvey Dawson, Chief Legal Officer, as authorized representative of ZenPayroll, Inc. (“Respondent”), acknowledges that she has read the foregoing Order and that she knows and fully understands the Order contents; that Respondent acknowledges violation of the Alaska Uniform Money Services Act; 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, employees and agents will only effect 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.

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Date Alyssa Harvey Dawson
____________________________
Chief Legal Officer, ZenPayroll, Inc.

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

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/s/ Alyssa Harvey Dawson
Notary Public in and for

____________________________
/s/ Jesenia Sena
Notary Printed Name
My commission expires: 02/28/25

Approved as to form and content:

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5-11-2021 Date /s/ Robert Savoie

Robert Savoie, Attorney for ZenPayroll, Inc.

Contact Person:
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