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 YapStone, Inc. and its parent company, Yapstone Holdings, Inc. (collectively “Respondents”) and has determined that Respondents violated certain provisions of AS 06.55 et seq. (“Alaska Uniform Money Services Act”).

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

Respondents wish to resolve and settle this matter with the Department. As evidenced by the authorized signature on this Order, Respondents consent to the entry of this Order to assess civil penalties based on the Conclusions of Law and Order. Respondents waive their right to a hearing.

I. FACTS

1. Respondents are corporations organized under the laws of the State of Delaware, file
no. 6016895 and no. 3127211, and jointly maintain a principal place of business at 2121 North California Boulevard, Walnut Creek, California, 94566. Registered Agent Solutions, Inc. is Respondents’ registered agent.


3. Respondents have no physical location in Alaska and have never held a money transmitter license in Alaska.


6. In its application, YapStone, Inc., admitted to engaging in money transmission in Alaska without a money transmitter license. Upon request by the Department, Yapstone, Inc. provided individual transaction activity for it and for Yapstone Holdings, Inc. from January 2010 until March 2018.

7. From January 2010 to June 2016, Yapstone Holdings, Inc. conducted a total of 55,883 transactions, which totaled $39,322,397. Yapstone Holdings, Inc. received fees totaling $341,304 from those transactions.

8. From May 2016 to March 2018, YapStone, Inc. conducted a total of 71,608 transactions, which totaled $35,340,827. YapStone, Inc. received fees totaling $385,973 from those transactions.

9. Respondents have no record of complaints made by Alaska consumers.
10. Respondents have cooperated with the Department in its investigation into this matter.

II. CONCLUSIONS OF LAW

1. From 2010 to 2018, Respondents engaged in “money transmission” in Alaska as defined in AS 06.55.990(15) by receiving money or monetary value for money.

2. From 2010 to 2018, Respondents violated AS 06.55.101(a) by engaging in money transmission activity in Alaska without a money transmission license.

3. Pursuant to AS 06.55.605, Respondents are subject to a civil penalty because they violated AS 06.55.101(a). The Department may assess a civil penalty against a person who commits this violation 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 because 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 AS 06.55.604, it is hereby ORDERED:

1. Respondents shall pay a civil penalty in the amount of seventy-five thousand dollars ($75,000.00), plus six hundred dollars ($600.00) to reimburse the Department for the costs of its investigation, for a total amount of seventy-five thousand, six hundred dollars ($75,600.00).
2. This Order is a publicly disclosable document.

IT IS SO ORDERED.

Mike Navarre, Commissioner
Department of Commerce, Community,
and Economic Development

___________________ _____________________________
August 31, 2018  Date
/s/ Patrice Walsh
Patrice Walsh, Acting Director
Division of Banking and Securities
Consent to Entry of Order

David Weiss, President, as authorized representative of YapStone, Inc. and Yapstone Holdings, Inc. ("Respondents"), acknowledges that he has read the foregoing Order and that he knows and fully understands the Order contents; that Respondents have been represented by counsel in this matter; that Respondents acknowledge violation of the Alaska Uniform Money Services Act; that Respondents voluntarily and without any force or duress, consent to the entry of this Order, expressly waiving their right to a hearing in this matter; that Respondents understand 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 Respondents will fully comply with the terms and conditions stated herein.

Respondents further assure the Department that Respondents 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.
Respondents acknowledge that this Order is a publicly disclosable document.

8/23/18  
/s/ David Weiss  
David Weiss, President for YapStone, Inc. and Yapstone Holdings, Inc.

SUBSCRIBED AND SWORN TO before me this 23rd day of August, 2018 at

Contra Costa County, CA

/s/ Amanda Nelson
Notary Public in and for California

Amanda Nelson
Notary Printed Name
My commission expires: July 11, 2022

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