

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

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

**ORDER NO: 17-272-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 Commonwealth Foreign Exchange, Inc. (“Respondent”) and has determined that Respondent violated certain provisions of AS 06.55 et seq. (“Alaska Uniform Money Services Act”) (the “Act”).

Respondent agrees that the Department has jurisdiction over Respondent and these matters pursuant to the 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. FACTS**

1. Respondent is a corporation organized under the laws of the State of Rhode Island, file no. 000115949, and maintains a principal place of business at 56 Pine Street, Suite 600, Providence, Rhode Island, 02903. CT Corporation System is the registered agent.

2. Respondent provides foreign currency exchange; transfers and receives monies,

1 including checks and electronic wire transfers with persons; and sells drafts.

2 3. Respondent provides its products and services in the United States from its various  
3 office locations by phone, email, and through its website. Respondent uses no agents in  
4 selling or providing its services, and maintains no walk-in facilities for the general public.

5 4. From 2008 until 2013, Respondent was licensed as a Futures Commission Merchant  
6 (FCM) with the Commodity Futures Trading Commission, and was therefore exempt from the  
7 Act. Upon withdrawing its FCM license, Respondent determined that its services did not meet  
8 the definition of “money transmission” under the Act.

9 5. From 2013 to 2017, Respondent engaged in money transmission services and  
10 generated fees for itself. Respondent believed in good faith that its activities were not subject  
11 to the Act because Respondent did not solicit potential customers and because Respondent did  
12 not maintain a physical presence in Alaska and therefore was not required to maintain a  
13 license.

14 6. From 2013 to 2017, Respondent maintained relationships with two (2) non-bank  
15 Alaska customers.

16 7. Respondent has no record of complaints made by Alaska customers.

17 8. Respondent has fully cooperated with the Department in its investigation into this  
18 matter.

19 9. Respondent voluntarily submitted an application for a money transmission license in  
20 Alaska on August 9, 2017.

## 21 II. CONCLUSIONS OF LAW

22 1. From 2013 to 2017, Respondent engaged in “money transmission” in Alaska as  
23 that term is defined in AS 06.55.990(15) by selling or issuing payment instruments or stored  
24 value, or receiving money or monetary value for transmission.

1 2. From 2013 to 2017, 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 commits this violation 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 because the Department  
8 determined that the release of information is reasonably necessary for the protection of the  
9 public and in the interests of justice.

10 **III. ORDER**

11 Pursuant to AS 06.55.604, it is hereby ORDERED:

12 1. Respondent shall pay a civil penalty in the amount of twenty thousand dollars  
13 (\$20,000.00), plus six hundred dollars (\$600.00) to reimburse the Department for the costs of  
14 its investigation, for a total amount of twenty thousand six hundred dollars (\$20,600.00).

15 2. This Order is a publicly disclosable document.

16 **IT IS SO ORDERED.**

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

19 April 4, 2018  
20 \_\_\_\_\_  
Date

/s/ Kristy Naylor  
\_\_\_\_\_  
Kristy Naylor, Acting Director  
Division of Banking and Securities

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**Consent to Entry of Order**

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Elan Mendel, General Counsel, as authorized representative of Commonwealth Foreign Exchange, Inc. (“Respondent”), acknowledges that he has read the foregoing Order and that he knows and fully understands the Order contents; that Respondent has been represented by counsel in this matter; that Respondent voluntarily and without any force or duress, without admitting or denying violation of the Alaska Uniform Money Services Act, 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.

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

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

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6 4/2/18 /s/ Elan Mendel  
Date Elan Mendel for  
Commonwealth Foreign Exchange, Inc.

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9 SUBSCRIBED AND SWORN TO before me this 3rd day of April, 2018 at  
10 Providence, RI.

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14 /s/ Mary Huard  
Notary Public in and for RI  
15 Mary Huard  
Notary Printed Name  
16 My commission expires: 3-1-2022

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