

4. Section 90(g) of the Act states:

Each transaction in violation of this Act or the rules promulgated under this Act and each day that a violation continues shall be a separate offense. 205 ILCS 657/§90(g).

5. Section 90(i) of the Act states, in pertinent part:

Any person who, without the required license, engages in conduct requiring a license under this Act shall be liable to the Department in an amount equal to the greater of (i) \$5,000 or (ii) an amount of money accepted for transmission plus an amount equal to 3 times the amount accepted for transmission. 205 ILCS 657/§90(i).

6. Section 90(h) of the Act states, in pertinent part:

A person who engages in conduct requiring a license under this Act and fails to obtain a license from the Director or knowingly makes a false statement, misrepresentation, or false certification in an application, financial statement, account record, report, or other document filed or required to be maintained or filed under this Act or who knowingly makes a false entry or omits a material entry in a document is guilty of a Class 3 felony. 205 ILCS 657/§90(h).

FACTUAL FINDINGS

7. The Department is statutorily charged *inter alia*, with the responsibility and authority to regulate the Act. 205 ILCS 657/1 *et seq.*
8. The Department is granted supervisory power and control over any person engaged in the business of transmitting money in Illinois.
9. Square is incorporated in the State of Delaware, with its principal place of business located at 901 Mission Street, San Francisco, California.
10. Square offers and provides money transmission services to Illinois consumers.
11. Square provides mobile credit card reading devices to Illinois consumers for the express purpose of transmitting money. Consumers obtain said devices, free of charge, either through U.S. postal mail or by picking them up at multiple retail locations throughout the State of Illinois.
12. Square provides digital applications to Illinois consumers for the express purpose of transmitting money through iPhone and Android devices.
13. Square sells and issues digital gift cards to Illinois consumers for the express purpose of purchasing items from designated vendors on Square's website.
14. The Act requires that any person engaged in the business of transmitting money in Illinois must be licensed by the Department.
15. Square has never been licensed by the Department to engage in the business of transmitting money pursuant to the Act.

16. As of the date of this order, Square continues to engage in the business of transmitting money in Illinois without a license.

LEGAL FINDINGS

17. Square is engaged in the business of transmitting money in Illinois, as defined by the Act, without the required license. 205 ILCS 657/§5.
18. The Department has regulatory authority to issue an order directing Square to cease and desist from engaging in activities regulated by the Act. 205 ILCS 657/§90(b).
19. The Department has regulatory authority to assess penalties of \$1,000 against Square for each violation of the Act. 205 ILCS 657/§90(b).
20. The Department has regulatory authority to assess penalties of \$1,000 per day against Square for violating the Act. 205 ILCS 657/§90(g).
21. The Department has regulatory authority to assess penalties against Square in the amount equal to four times the amount of money transmitted for the entire period of unlicensed activities. 205 ILCS 657/§90(i).
22. Square's engagement of conduct requiring a licensee under this Act, without having obtained a license from the Director as required by the Act, constitutes a Class 3 felony. 205 ILCS 657/§90(h).

NOW THEREFORE IT IS HEREBY ORDERED:

- I. Pursuant to §90(b) of the Act, Square and its officers, directors, employees, subsidiaries, affiliates and agents shall **CEASE AND DESIST** from offering or providing money transmission services in the State of Illinois.
- II. Square is ordered to **PRODUCE DOCUMENTS** to the Department, consisting of any and all account activity statements for Illinois consumers, any and all documents, records, correspondence, or other material containing information relevant to money transmissions made to or from Illinois consumers, and copies of all annual independent reviews of Square's Anti-Money Laundering program.
- III. Square is ordered to report to the Department any and all unlicensed money transmission activity to or from Illinois consumers. The documents and reporting shall be produced by **February 19, 2013**, and delivered to the Consumer Credit Supervisor at the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions, 100 W. Randolph Street, 9th Floor, Chicago, IL 60601.
- IV. Square shall be **LIABLE** to the Department in the amount equal to \$1,000 per violation, as provided by §90(b) of the Act.

- V. Square shall be **LIABLE** to the Department in the amount equal to \$1,000 each day that Square is in violation of the Act, as provided by §90(g) of the Act.
- VI. Square shall be **LIABLE** to the Department in the amount equal to four times the amount of unlicensed money transmissions in Illinois, as provided by § 90(i) of the Act.
- VII. Payment shall be made by money order payable to the Illinois Department of Financial and Professional Regulation and delivered to the Consumer Credit Supervisor at the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions, 100 W. Randolph Street, 9th Floor, Chicago, IL 60601 by **February 5, 2013**.

Pursuant to Section 90(b) of the Act, service of this Order shall be made either personally or by certified mail, return receipt requested. Service by mail shall be deemed completed if the Order is deposited in the post office, postage paid. Pursuant to Section 90(c) of the Act, Square may request a hearing, in writing, within 30 days after the date of service.

Dated this ____ day of January 2013.

Roxanne Nava, Director
Division of Financial Institutions