

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

COMMISSIONER OF BANKS  
CHECK CASHER LICENSING

Docket No. 2025-007

In the Matter of

HIDALGO MULTISERVICES, INC.  
Lawrence, Massachusetts  
NMLS# CC922844

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) CONSENT ORDER  
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WHEREAS, HIDALGO MULTISERVICES, INC., with its main office located at 169 South Union Street, Lawrence, Massachusetts (Hidalgo or the Corporation), a licensed check casher under Massachusetts General Laws (M.G.L.) chapter 169A, has been advised of its right to Notice and Hearing pursuant to M.G.L. chapter 169A, section 12 and 13, and chapter 30A, and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (Consent Agreement) with the Division of Banks (Division) dated April 14th, 2025, whereby, solely for the purpose of settling this matter, and without admitting any allegations or implications of fact or the existence of any violation of state or federal laws and regulations governing the conduct and operation of a check casher, Hidalgo agrees to the issuance of this CONSENT ORDER (Order) by the Commissioner of Banks (Commissioner);

WHEREAS, the Division, through the Commissioner, has jurisdiction over the licensing and regulation of persons or entities engaged in cashing checks, drafts, or money orders for a consideration in excess of one dollar per item pursuant to M.G.L. chapter 169A;

WHEREAS, on or about June 10, 2011, the Division issued Hidalgo its check casher license;

WHEREAS, on or about October 29, 2021, Hidalgo adopted a Corporate Resolution (Resolution), designed to correct the deficiencies identified in the Report of Examination issued by the Division in connection with the Corporation's prior examination as of September 6, 2018;

WHEREAS, an examination of Hidalgo was conducted pursuant to M.G.L. chapter 169A, section 10, as of May 1, 2023 (the examination) to assess the Corporation's level of compliance with applicable state and federal laws, rules, and regulations governing the conduct of those engaged in the business of a check casher in the Commonwealth;

WHEREAS, the Report of Examination (the Report) issued pursuant to the Division's examination of Hidalgo alleged substantial non-compliance with applicable statutes, rules, and regulations governing the conduct of those engaged in the business of a check casher in the Commonwealth;

WHEREAS, the Report determined that Hidalgo failed to comply with all provisions of the Resolution;

WHEREAS, Hidalgo did not seek renewal of its license during the annual renewal period for 2025, and therefore as of midnight on December 31, 2024, Hidalgo's check casher license's status was updated to Terminated-Failed to Renew;

WHEREAS, on or about January 2, 2025, Hidalgo received an email from the Nationwide Multistate Licensing System (NMLS) reminding Hidalgo of its terminated licensing status and that it is no longer authorized to conduct check cashing services in Massachusetts;

WHEREAS, on January 22, 2025, the Division became aware that Hidalgo was cashing checks for consideration of more than \$1.00 per item without a license;

WHEREAS, the parties now seek to resolve by mutual agreement the matters identified in the Report.

ORDER

NOW COME the parties in the above-captioned matter, the Division and Hidalgo, and stipulate and agree as follows:

1. Hidalgo shall immediately cease engaging in check cashing practices until such time as the Commissioner of Banks has issued a license for the operation of a check casher, as required by M.G.L. chapter 169A, section 2.
  - a. Hidalgo shall conduct a review of all check cashing transactions since January 1, 2025, to identify all transactions where a check, draft, or money order was cashed without a license from the Commissioner.
    - i. Hidalgo must reimburse all persons for whom a check, draft, or money order was cashed for consideration of more than one dollar since January 1, 2025. Reimbursements shall be made to each person on a per transaction basis in an amount equal to the total fee charged on the transaction less one dollar.
    - ii. Hidalgo will make reimbursements to consumers on a rolling basis, with all checks being issued to consumers within 30 days of the effective date of this Order.
    - iii. Hidalgo shall refrain from charging a check cashing fee for cashing any reimbursement check issued as a result of this Consent Order.
    - iv. Hidalgo shall submit evidence of the review performed on its check cashing transactions and reimbursements made, including, at minimum: the names and addresses of all individuals for whom the Corporation has cashed a check, draft, or money order for a consideration in excess of one dollar; the date of each check cashing transaction; the amount of each check, draft, or money order cashed; the total fees charged on each transaction; the date of any refund issued in response to the Consent Order; and the check number and the dollar amount of each refund.

- v. In the event that, after a good faith effort, the Corporation is unable to locate and directly reimburse affected customers, it shall escheat any remaining funds to the Massachusetts State Treasurer's Unclaimed Property Fund in accordance with M.G.L. chapter 200A. In addition, the Corporation shall maintain sufficient information evidencing the reimbursements for review during the next examination.
2. Hidalgo shall conduct a thorough independent assessment of the risks posed by its money services business (MSB) services, including its check cashing operation, to ensure its Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) program is appropriate for its risk, as required by Financial Crimes Enforcement Network's (FinCEN) regulation 31 CFR 1022.210(b). Hidalgo shall develop, implement, and maintain an effective AML/CFT program commensurate with the risks posed by its check cashing operation, as required by 31 CFR 1022.210(a). Hidalgo shall ensure that its AML/CFT program, at a minimum, will incorporate policies, procedures, and internal controls reasonably designed to assure compliance with applicable federal MSB requirements, as required by 31 CFR 1022.210(d).
3. Hidalgo shall develop, implement, and maintain an automated data processing system integration policy and procedure within its compliance program, as required by 31 CFR 1022.210(d)(1)(ii). Hidalgo's owners also shall provide sufficient oversight of its senior management and personnel to ensure compliance with applicable state-specific and federal MSB requirements.
4. Hidalgo shall ensure that the Compliance Officer will obtain the proper training and resources needed to perform their required duties, as required by 31 CFR 1022.210(d)(2). The Compliance Officer shall increase their efforts to ensure Hidalgo operates in compliance with applicable state and federal MSB requirements.

5. Hidalgo shall administer and formally document training of all requisite personnel upon initial hire and at least annually thereafter, as required by 31 CFR 1022.210(d)(3).
6. Hidalgo shall develop, implement, and maintain policies and procedures to ensure compliance with FinCEN's five-year record retention requirements, as required by 31 CFR 1022.210(d)(1)(i)(C).
7. Hidalgo shall retain adequate transaction records to ensure multiple currency transactions, conducted by or on behalf of the same person, resulting in either cash in or cash out totaling more than \$10,000 during any one business day, can be aggregated and Currency Transaction Reports (CTRs) can be filed, as required by 31 CFR 1010.313(b).
8. Hidalgo shall develop, implement, and maintain procedures to ensure it aggregates multiple transactions conducted by or on behalf of the same individual resulting in either cash in or cash out totaling more than \$10,000 during any one business day for tracking and reporting purposes, and files CTRs on these aggregated transactions as required by FinCEN's regulation 31 CFR 1010.313(b).
9. Hidalgo shall file all Currency Transaction Reports (CTRs) for all reportable transactions, as required by 31 CFR 1010.311, completely and accurately. Hidalgo also shall file all CTRs within the 15-day federal timeframe, as required by 31 CFR 1010.306(a)(1).
10. Hidalgo will immediately file three (3) CTRs cited in the Report with FinCEN.
11. Hidalgo shall conduct a lookback review of all check cashing deposit reports dating back to January 1, 2022 to ensure CTRs have been filed on all reportable transactions. The lookback review must ensure CTRs are filed for any aggregate transactions totaling more than \$10,000 in one day, conducted by or on behalf of the same individual, that were not reported. In addition, Hidalgo must submit evidence of all CTRs filed as a result of the lookback review.

12. Hidalgo shall revise its check cashing receipts to comply with all sections of the Division's consumer disclosure requirements, as required by 209 CMR 45.08.
13. Hidalgo shall ensure fiscal year-end financial statements are submitted to the Division, via NMLS, within the required 90-day timeframe, as required by 209 CMR 45.03(2)(b)(3).
14. Hidalgo shall prepare and maintain accurate quarterly financial statements, as required by 209 CMR 45.11(2). Hidalgo also shall ensure all MSB Call Reports are completed fully, and accurately and uploaded to NMLS within 45 days of each quarter's end.
15. Hidalgo shall develop, implement, and maintain policies and procedures to ensure compliance with the Division's three-year record retention requirements, as required by 209 CMR 45.11(5).
16. Hidalgo shall keep and use its books, records, and accounts in a manner allowing the Commissioner to determine whether the Licensee is complying with applicable state and federal laws and regulations. Hidalgo also shall develop, implement, and maintain a process for ensuring all requested future examination material is complete, accurate, and provided in a timely manner, as required by 209 CMR 45.11(1).
17. Hidalgo shall maintain a daily record of all check cashing transactions, including the amount of each check cashed and the fee charged for each check, as required by 209 CMR 45.11(3). A thorough, compliant, check cashing log will allow for adequate analysis of the Licensee's check cashing volume, process for determining cash on hand, and compliance with its posted fee schedule.
18. Hidalgo shall develop a written information security program (WISP) based on the findings of an information security risk assessment, including all necessary requirements set forth by 201 CMR 17.03. The WISP must be reviewed regularly and updated as needed to ensure it is effective and commensurate with the risks identified.

19. Hidalgo shall immediately submit Advanced Change Notices on NMLS updating its NMLS record to reflect the current ownership, and must submit any additional information required by the Division to process and approve those changes, as required by 209 CMR 45.14(2)(a). Hidalgo shall file notice with the Commissioner at least 30 days prior to any proposed change in control. In addition, Hidalgo must ensure all future significant events and proposed changes to ownership or personnel are filed in compliance with the Division's timing requirements.
20. Hidalgo shall establish, implement, and maintain an effective overall compliance management system with sufficient oversight by ownership and senior management, including but not limited to, adequate policies and procedures, internal monitoring, training, and periodic independent testing to ensure compliance with all applicable state and federal statutes and regulations.
21. Hidalgo shall address all matters requiring attention set forth in the Report within the timeframes contained therein. Hidalgo also shall address and correct all deficiencies in the Report not specifically addressed herein by the provisions of this Memorandum and perform the required corrective action as discussed in the Report.
22. Hidalgo shall submit a payment of twenty thousand dollars (\$20,000.00) to the Commonwealth of Massachusetts. The penalty shall be paid in two (2) installments of ten thousand dollars (\$10,000). The first installment shall be due upon execution of this Consent Order. The second installment shall be due within six (6) months from the execution of this Consent Order. The funds shall be payable by cashier's checks to the "Commonwealth of Massachusetts" and mailed to the Division of Banks, Attn: Consumer Finance Examination Unit, One Federal Street, Suite 710, Boston, Massachusetts 02110.

23. Hidalgo must address all matters requiring attention set forth in the Report within the timeframes contained therein. Hidalgo must also adopt and implement any corrective actions discussed in the Report that are not specifically addressed by the provisions of this Order.
24. Nothing in this Consent Order shall be construed as permitting Hidalgo to violate any law, rule, regulation, or regulatory bulletin to which the Corporation is subject.
25. Failure to comply with the terms of this Consent Order may constitute grounds for formal regulatory action pursuant to applicable provisions of the General Laws of the Commonwealth of Massachusetts including, but not limited to, revocation of any and all licenses and registrations issued by the Division or denial of any applications pending with the Division.
26. This Consent Order shall become effective immediately upon the date of its issuance.
27. The provisions of this Consent Order shall be binding upon Hidalgo and its respective subsidiaries, officers and directors, successors and assigns, and those persons in active participation with them, directly or indirectly, acting individually or through any corporate or other entity.
28. In consideration of this Consent Order, the Division agrees not to pursue any other remedial measures, sanctions, or penalties relative to this matter unless the Division is made aware of material information that is not addressed in this Consent Order, or if Hidalgo fails to comply with the terms of this Consent Order.
29. Without limiting the Division's discretion set forth within M.G.L. chapter 169A, section 3 and the Division's regulation 209 CMR 45.00 *et seq.* in determining whether to issue a license and/or registration to Hidalgo, any such application shall not be denied solely as a



result of any of the issues resolved by this Consent Order or because Hidalgo entered into this Consent Order.

30. The provisions of this Consent Order shall not limit, estop, or otherwise prevent any other state agency or department from taking any other action under separate authority affecting the Corporation or any of its officers and directors, or their successors or assigns.
31. The provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as, the Commissioner or a court of competent jurisdiction modifies, terminates, suspends, or sets aside any provision of this Consent Order.
32. In accordance with the terms of the Consent Agreement entered into by Hidalgo and the Commissioner, Hidalgo has waived all rights of appeal that it may have relative to this Consent Order or any of its provisions.
33. This Order and the Consent Agreement are the complete documents representing the resolution of this matter. There are no other agreements between the Division and Hidalgo.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 14th day of April, 2025.

By: \_\_\_\_\_  
Mary L. Gallagher  
Commissioner of Banks  
Commonwealth of Massachusetts