

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

COMMISSIONER OF BANKS
FOREIGN TRANSMITTAL
AGENCY LICENSING

Docket No. 2024-002

In the Matter of)	
)	
HODAN GLOBAL MONEY SERVICES, INC.)	CONSENT ORDER
Minneapolis, Minnesota)	
NMLS# FT947779)	
)	

WHEREAS, HODAN GLOBAL MONEY SERVICES, INC., Minneapolis, Minnesota (Hodan or the Corporation), a licensed foreign transmittal agency under Massachusetts General Laws chapter 169, has been advised of its right to Notice and Hearing pursuant to General Laws chapter 169, section 13, and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (Consent Agreement) with representatives of the Division of Banks (Division) dated October 28th, 2024, 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 foreign transmittal agency, Hodan agrees to the issuance of this CONSENT ORDER (Order) by the Commissioner of Banks (Commissioner);

WHEREAS, on October 15, 2019, the Commissioner and Hodan entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER, Docket No. 2019-001 (2019 Consent Order), for the purpose of settling the matters raised during a 2016 Examination of Hodan;

WHEREAS, an examination of Hodan was conducted pursuant to General Laws chapter 169, section 10, as of February 2, 2022 (the 2022 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 foreign transmittal agency in the Commonwealth;

WHEREAS, the Report of Examination (the Report) issued pursuant to the Division's 2022 examination of Hodan alleged substantial non-compliance with applicable state and federal statutes, rules, and regulations governing the conduct of those engaged in the business of foreign transmittal agency in the Commonwealth;

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

WHEREAS, by mutual agreement of the Corporation and the Division, the 2019 Consent Order is hereby superseded and replaced by this Order.

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

1. Hodan shall deposit all customer funds received for transmittal to a foreign country in one or more client funds accounts maintained at a federally insured bank or credit union; said account(s) shall contain only those funds collected for transmittal and not commingled with funds used to pay business expenses, in accordance with the Division's regulation 209 CMR 45.13(1).
2. Hodan shall develop, implement, and maintain procedures to ensure compliant segregation and reconciliation of Massachusetts consumer funds. Hodan will maintain a consistent and thorough reconciliation process particularly related to all Massachusetts funds received for transmittal and deposited into its bank account.

3. Hodan must immediately notify the Division in the event of the termination and/or cancellation of its client funds account maintained with a federally insured bank or credit union.
4. Hodan agrees to develop, implement, and maintain an effective overall compliance management system and Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) program commensurate with the risks posed by its operation as a foreign transmittal agency, as required by the Financial Crimes Enforcement Network's (FinCEN) regulation 31 CFR 1022.210(a), and in the manner described in the Report. This shall include, but is not limited to, adequate policies and procedures, internal monitoring, compliant report filing, sufficient oversight by senior management, training, and periodic independent testing as required by the Financial Crimes Enforcement Network's (FinCEN) regulation 31 CFR 1022.210.
 - a. Hodan must develop, implement, and maintain procedures to ensure it complies with all Currency Transaction Report (CTR) requirements set forth by FinCEN. Hodan must ensure all CTRs are filed accurately and within the required 15-day federal timing requirement.
 - b. Hodan must enhance its transaction monitoring system to ensure prompt detection of suspicious/unusual activity as well as the completion and filing of Suspicious Activity Reports (SARs) with FinCEN, as required.
5. Hodan agrees to implement necessary controls to ensure the accuracy of all foreign transmittal-related records maintained and provided for review. Hodan also agrees to keep and use its books, records, and accounts in a manner which will allow the

- Commissioner to determine whether the Corporation is complying with applicable state and federal laws and regulations, as required by 209 CMR 45.11(1) and 209 CMR 45.11(4).
6. Hodan agrees to provide all consumers with a complete remittance receipt, as required by the Division's regulations 209 CMR 45.16(1)(c), 209 CMR 45.09, and the Consumer Financial Protection Bureau's Remittance Transfer Rule 12 CFR 1005.31(b).
 7. Hodan must address all matters requiring attention set forth in the Report within the timeframes contained therein. Hodan must also adopt and implement any corrective actions discussed in the Report that are not specifically addressed by the provisions of this Order.
 8. Hodan shall pay an administrative penalty to the Division in the amount of five thousand dollars (\$5,000.00). The penalty shall be due upon execution of the Consent Order and shall be payable by cashier's check to the "Commonwealth of Massachusetts" and mailed to the Division of Banks, Attn: Consumer Finance Examination Unit, 1000 Washington Street, 10th Floor, Boston, Massachusetts 02118.
 9. Hodan must furnish written progress reports to the Division, via secure email to dobprogressreport@mass.gov, by the thirtieth day after the end of each calendar quarter following the effective date of this Order. Progress reports will detail the form, content, and manner of any action taken to address each section of this Order, and will consist at a minimum, of the following: (a) Provide all Reports of International Transportation of Currency or Monetary Instruments (CMIRs) filed; and (b) Each progress report

- submitted to the Division pursuant to this section of the Order will be reviewed and signed by a duly authorized senior officer of Hodan.
10. The provisions of this Order shall not limit, estop, or otherwise prevent the Division, or any other state or federal agency or department, from taking any other action affecting Hodan, its successors or assigns.
 11. Nothing in this Order will be construed as permitting Hodan to violate any law, rule, regulation, or regulatory bulletin to which the Corporation is subject.
 12. This Order will become effective immediately upon the date of its issuance.
 13. The provisions of this Order are binding upon Hodan, its owners, officers and directors, and their successors and assigns.
 14. In accordance with the terms of the Consent Agreement entered by Hodan and the Commissioner, Hodan has waived all rights of appeal that it may have relative to this Consent Order or any of its provisions.
 15. The provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this Consent Order shall have been modified, terminated, suspended, or set aside by the Commissioner or upon an order of a court of competent jurisdiction.
 16. 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 Hodan.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

In the Matter of Hodan Global Money Services, Inc.
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Dated at Boston, Massachusetts, this 28th day of October, 2024

By: _____
Mary L. Gallagher
Commissioner of Banks
Commonwealth of Massachusetts