

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



DEPARTMENT OF BUSINESS REGULATION

DIVISION OF BANKING

233 RICHMOND STREET, SUITE 231

PROVIDENCE, RI 02903-4231

Telephone (401) 222-2405

RECEIVED  
BUSINESS REGULATION  
DIVISION OF BANKING

SEP 4 2009

IN THE MATTER OF:

IPP OF AMERICA, INC.

CONSENT ORDER

**I. Introduction**

The Rhode Island Department of Business Regulation (“Department”) and IPP of America, Inc. (Respondent) agree as follows:

1. Respondent is a company located at 330 Passaic Avenue, Suite 100, Fairfield, NJ 07004 that has been engage in the business of providing electronic money transfers in Rhode Island since 2006 while not being licensed with the Division of Banking (“Division”) of the Department pursuant to R. I. Gen. Laws § 19-14-2.

2. Respondent’s principal officers include John Zaleski, Secretary and Chief Financial Officer, and Ronald Averett, President and CEO. Respondent’s principal owner is Edison Venture Fund, V, LP who owns 55.8% of all shares of Respondent.

3. On February 26, 2008 the Division received from Respondent an application for a Rhode Island Electronic Money Transfer License (the “Application”). The Division issued Order Number 08-122 on July 7, 2008 (“Order”) that denied the Application and provided Respondent an

opportunity to: withdraw the Application; address the deficiencies noted in the Order; or request a hearing on the denial of the Application.

4. On August 4, 2008, the Division received from Respondent information in response to the deficiencies noted in the Order.

5. Respondent continues to provide bill-payment electronic money transfer services for its Rhode Island resident customers due to contractual obligations Respondent has with several authorized billers. Respondent represents to the Division that upon receipt of the Order that Respondent refrained from growing its business in Rhode Island.

6. Respondent filed with the Division information on the number of transactions and sales volume with respect to the electronic money transfers conducted in Rhode Island prior to obtaining the required Rhode Island license.

7. The Department proposes to settle this matter in lieu of commencing an administrative action to enforce the penalties provided for in R. I. Gen. Laws §§ 19-14-26.

## **II. Settlement Agreement**

In consideration of the foregoing and the mutual promises set forth herein, and to resolve all known outstanding violations Respondent acknowledge and waive its right to further notice of the fact that Respondent's actions violated R. I. Gen. Laws §§ 19-14-2 which violations could result in additional monetary penalties of up to ten thousand dollars (\$1,000) per violation and the imposition of criminal and civil sanctions pursuant to R. I. Gen. Laws §§ 19-14-23(f), 19-14-26 and 19-14-26.1. Respondent hereby waives its right to complete the hearing process, admits that the allegations in Paragraphs 1 through 7 of the Introduction above are true, and affirms that upon executing this Consent Order, Respondent shall:

1. Comply fully with R. I. Gen. Laws §§ 19-14-2 and any applicable rules and regulations promulgated under R. I. Gen. Laws Title 19; and

2. Maintain a compliance officer and compliance program to monitor compliance to all applicable state and federal laws and regulations.

3. File with the Division a certified copy of a resolution of the board of directors or substantially equivalent governing body of Respondent that identifies Ronald W. Averett as the person authorized to execute this Consent Order.

4. Upon execution of this Consent Order, Respondent shall pay to the Department an administrative assessment in the aggregate amount of Seventy-Five Thousand Dollars (\$75,000) by check made payable to the General Treasurer, State of Rhode Island<sup>1</sup>, of which Four Hundred Eighteen Dollars (\$828.00) represents an examination fee.

### **III. Reservation of Rights**

1. The Division agrees to issue a Rhode Island Electronic Money Transfers license to Respondent subject to compliance by Respondent with this Consent Order and the usual terms and conditions pertaining to the approval of an application for the license.

2. The Department reserves its rights to further adjudicate, through the administrative hearing process, the facts in this matter should it receive information related to violation of the terms of this Consent Order and/or any information which may implicate other violations by Respondent herein subject to the Respondent's right to a hearing.

THIS CONSENT ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT

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<sup>1</sup> Payee must be the "General Treasurer, State of Rhode Island". Checks with incorrect payee will be returned for re-issuance.

SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE EXECUTION OF THIS CONSENT ORDER. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.

HOWEVER, RESPONDENT UNDERSTANDS THAT BY WAIVING ITS RIGHT TO A COMPLETE HEARING AND AGREEING TO THIS ORDER, THE ABOVE RIGHTS ARE WAIVED AND IF ANY TERMS OF THIS ORDER ARE VIOLATED, RESPONDENT'S Rhode ISLAND LICENSE SHALL BE SUBJECT TO FURTHER ADMINISTRATIVE ACTIONS

Respondent:

Ronald W. Averett

Date: 9/2/2009

By: Ronald W. Averett, President  
IPP of America, Inc.

STATE OF New Jersey  
COUNTY OF [ Essex ]

In New Jersey, in said County, on the 2nd day of September, 2009 before me personally appeared the above-named Bradford Stroh, to me known and known by me to be the President of IPP of America, Inc., the party executing the foregoing instrument, and he acknowledged said instrument by him so executed to be his free act and deed as such President and the free act and deed of said IPP of America, Inc.

**Lisa H. Yang**  
Notary Public  
State of New Jersey  
ID # 2309054  
My Commission Expires Jan 27, 2014

Lisa H. Yang

Lisa H. Yang, Notary  
(Print or type name of Notary)

Date: 9/2/2009

Department:

Neena Sinha Savage  
By: Neena Sinha Savage, Esq.  
Chief of Legal Services  
Department of Business Regulation

Steven L. Cayouette  
By: Steven L. Cayouette, CFE  
State Chief Bank Examiner  
Department of Business Regulation

Date: 9-8-09

Date: 9-08-2009

ORDER

I hereby  approve \_\_\_\_\_ reject the Consent Order as agreed to by and between the parties in the above entitled matter.

Entered: September 09, 2009

ORDER NUMBER: 09-213

A. Michael Marques  
A. Michael Marques, Director

Department of Business Regulation

**CERTIFICATION**

I hereby certify that on 9<sup>th</sup> day of September 2009 a copy of the within Consent Order was mailed via certified, postage prepaid, to:

Ronald W. Averett, President  
IPP of America, Inc.  
330 Passaic Avenue, Suite 100  
Fairfield, NJ 07004

And emailed to:

Edward P. D'Alessio, Esq.  
Winne, Banta, Hetherington, Basralian & Kahn, P.C.  
[EDALESSIO@winnebanta.com](mailto:EDALESSIO@winnebanta.com)



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