

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

**YapStone, Inc. dba DUESPAYMENT
dba INNPAYMENT dba RENTPAYMENT
dba STORAGERENTPAYMENT
dba VACATIONRENTPAYMENT
License No. MT-0020676**

Enforcement Case No. 17-14981

**Yapstone Holdings, Inc. dba DUESPAYMENT
dba INNPAYMENT dba PARISHPAY
dba RENTPAYMENT dba STORAGERENTPAYMENT
dba VACATIONRENTPAYMENT
Unlicensed**

Respondents.

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**Issued and entered
on March 13, 2018
By Rhonda J. Fossitt
Senior Deputy Director**

ORDER ACCEPTING STIPULATION AND ORDERING FINE

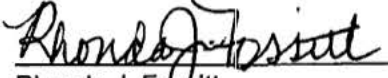
Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS) in this matter, the Senior Deputy Director finds and concludes that:

1. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of the Department of Insurance and Financial Services (DIFS) to exercise general supervision and control over persons transacting the business of money transmission services in Michigan.
2. The Senior Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation and Ordering Fine in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and the Money Transmission Services Act (Act), 2006 PA 250, MCL 487.1001 *et seq.*
3. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
4. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.

5. All applicable provisions of the APA have been met.
6. Respondents violated Section 11(1) of the Act, MCL 487.1011(1), by conducting unlicensed money transmission services business in the state of Michigan.

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

7. Respondents shall immediately Cease and Desist from operating in a manner that violates Section 11(1) of the Act, MCL 487.1011(1).
8. Respondents shall pay to the state of Michigan, through DIFS, a civil fine in the amount of **\$21,100.00**. The fine will be apportioned between the two Respondents as follows: Respondent YapStone, Inc. shall pay \$6,330. Respondent Yapstone Holdings, Inc. shall pay \$14,770. Respondents shall pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
9. Failure to pay or timely pay the above referenced civil fine, shall be considered a violation of the Act and subject Respondents to additional civil fines and/or suspension or revocation of its license.
10. To the extent that Respondents' representations to the DIFS as stated herein are true and correct, the terms set forth in this Stipulation represent the complete agreement and settlement among the parties as to its subject matter, but in no way preclude legal proceedings by or on behalf of the DIFS for acts and/or omissions not specifically addressed in this Stipulation.
11. The Senior Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Act. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings.


Rhonda J. Fossitt
Senior Deputy Director

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Respondents.

_____ /

STIPULATION TO ENTRY OF ORDER

YapStone, Inc. dba DUESPAYMENT dba INNPAYMENT dba RENTPAYMENT dba STORAGERENTPAYMENT dba VACATIONRENTPAYMENT (Respondent YapStone) and Yapstone Holdings, Inc. dba DUESPAYMENT dba INNPAYMENT dba PARISHPAY dba RENTPAYMENT dba STORAGERENTPAYMENT dba VACATIONRENTPAYMENT (Respondent Yapstone Holdings), collectively Respondents, stipulate to the following:

1. On or about September 11, 2016, Respondent YapStone submitted a money transmission services application to DIFS. That application is pending. As a result of Respondent YapStone's disclosures in its license application, DIFS staff became aware of Respondents' activities in Michigan.
2. On or about January 26, 2018, the Department of Insurance and Financial Services (DIFS) issued a Notice of Opportunity to Show Compliance (NOSC) to Respondents alleging that Respondents violated provisions of the Michigan Money Transmission Services Act (Act), 2006 PA 250, MCL 487.1001 *et seq.*
3. The NOSC contained allegations that Respondents engaged in unlicensed money transmission services activities in violation of Section 11(1) of the Act, MCL 487.1011(1).
4. Respondents exercised their right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
5. Respondents and DIFS conferred for the purpose of resolving this matter.

6. Respondents' primary business has focused on electronic payments on behalf of property owners and managers in the multi-family apartment rental market. Respondents have expanded their operations to include providing payment services to businesses in other high-ticket, recurring and low-risk rental markets, including vacation home rentals, homeowners' association dues, and self-storage unit rentals. Going forward, Respondent YapStone has indicated that it plans to expand its operations to include providing payment services directly to consumers, specifically tenants who desire to pay their rent payments electronically. Respondents have both performed money transmission services in the past, but only Respondent YapStone intends to conduct money transmission services in the state of Michigan in the future.
7. Respondents engaged in money transmission services in the state of Michigan on 211 days between October 2014 to September 2016
8. Respondents are not, and have never been, licensed under the Act.
9. Respondents admit all parties have complied with the procedural requirements of the APA and the Act.
10. Respondents admit the allegations contained in the NOSC.
11. Respondents agrees that they will Cease and Desist from operating in a manner that violates Section 11(1) of the Act, MCL 487.1011(1).
12. Respondents agree that they will pay to the state of Michigan, through DIFS, a civil fine in the amount of \$21,100.00. The fine will be apportioned between the two Respondents as follows: Respondent YapStone shall pay \$6,330. Respondent Yapstone Holdings shall pay \$14,770. Respondents shall pay the fine within 30 days of the invoice date as indicated on the DIFS invoice.
13. Failure to pay or timely pay any of the above referenced civil fines, shall be considered a violation of the Act and subject Respondents to additional civil fines and/or suspension or revocation of its license.
14. Respondent YapStone agrees that it will be subject to the 2018 renewal process and agrees to pay the annual renewal fee for the 2019 licensing year.
15. Respondents have had an opportunity to review this Stipulation to Entry of Order and the proposed Order Accepting Stipulation and Ordering Fine and have the same reviewed by legal counsel.
16. Respondents understand and agree that this Stipulation to Entry of Order will be presented to the Senior Deputy Director for approval.
17. Respondents further understand and agree that the Senior Deputy Director may, in her sole discretion, decide to accept or reject this Stipulation to Entry of Order. If the Senior Deputy Director accepts the Stipulation to Entry of Order, Respondents waive the right to a hearing in this matter and consent to the entry of the Order Accepting Stipulation and Ordering Fine. If the Senior Deputy Director does not accept the Stipulation to Entry of Order, Respondents waive any objection to the Director holding a formal administrative hearing and making his decision after such hearing.

18. Respondents further agree that failure to comply with the Order of the Director accepting this settlement by failing to comply with the terms as set forth above shall result in the commencement of an action to suspend and/or revoke Respondent YapStone's license.
19. To the extent that Respondents' representations to the DIFS as stated herein are true and correct, the terms set forth in this Stipulation represent the complete agreement and settlement among the parties as to its subject matter, but in no way preclude legal proceedings by or on behalf of the DIFS for acts and/or omissions not specifically addressed in this Stipulation.
20. It is further stipulated that the amount of the civil fine has been negotiated in return for the avoidance of further proceedings and certain promises and conditions, one of which is the timely payment of said civil fine. Should Respondents fail to pay the civil fine in accordance with the terms of this Stipulation and the Senior Deputy Director's Order, the parties agree that an action will commence to determine if the Respondents have, in fact, failed to pay, and, if so, Respondents agree that the fine will immediately increase to the maximum amount allowed under the Act and shall be immediately due in full.

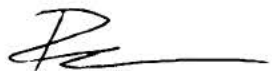


David Weiss, President of
YapStone, Inc.
MT-0020676

2/15/18
Date

David Weiss - President

Print Name and Title



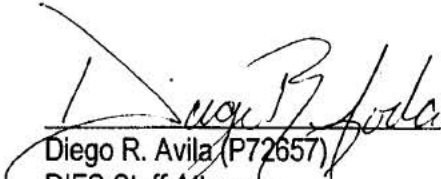
David Weiss, President of
Yapstone Holdings, Inc.
Unlicensed


2/15/18
Date

David Weiss - President

Print Name and Title

DIFS Staff approve this stipulation and recommend that the Senior Deputy Director accept it and issue an Order Accepting Stipulation and Ordering Fine.


Diego R. Avila (P72657)
DIFS Staff Attorney


Date