

**UNITED STATES OF AMERICA**  
**BUREAU OF CONSUMER FINANCIAL PROTECTION**

ADMINISTRATIVE PROCEEDING File

No. 2019-BCFP-0008

In the Matter of:

Maxitransfers Corporation

**CONSENT ORDER**

The Bureau of Consumer Financial Protection (“Bureau”) has reviewed the money-transfer and international-bill-payment services of remittance-transfer provider Maxitransfers Corporation (“Respondent,” as defined herein) and has identified violations of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. §§ 5531(a), 5536(a); and the Electronic Fund Transfer Act (“EFTA”), 15 U.S.C. § 1693 *et seq.*, and its implementing Regulation E, 12 C.F.R. pt. 1005 (known as the “Remittance Transfer Rule”). Under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (“Consent Order”).

## **I**

### **Jurisdiction**

1. The Bureau has jurisdiction over this matter under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, and § 918 of EFTA, 15 U.S.C. § 1693o.

## **II**

### **Stipulation**

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated August 16, 2019 (“Stipulation”), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, without admitting or denying any of the findings of fact or conclusions of law in the Stipulation or Consent Order, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

## **III**

### **Definitions**

3. The following definitions apply to this Consent Order:
  - a. “Effective Date” means the date on which the Consent Order is issued.
  - b. “Regional Director” means the Regional Director for the Southeast Region for the Office of Supervision for the Bureau of Consumer Financial Protection, or his or her delegate.
  - c. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental

agency brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.

- d. “Respondent” means Maxitransfers Corporation and its operating subsidiaries, and its successors and assigns.

#### **IV**

#### **Bureau Findings and Conclusions**

The Bureau finds the following:

4. Respondent is a private nonbank business that provides remittance transfers, including international money transfers and bill-payment services.
5. Respondent has its headquarters in Irving, Texas, and provides remittance transfers using its six retail branches and a network of more than 1,600 third-party agent locations (“Independent Agent Locations”) in the United States and more than 19,500 third-party payment locations (“Payment Locations”) in Mexico and other countries in Central and South America.
6. Respondent is a covered person under the CFPA because it is in the business of providing electronic funds-transmission services and payment services. 12 U.S.C. § 5481(6), (15)(A)(iv), (15)(A)(vii).
7. Respondent is also a remittance-transfer provider under EFTA because it provides remittance transfers for a consumer in the normal course of its business. 15 U.S.C. § 16930-1(g)(3).
8. From October 28, 2013 until May of 2017, Respondent engaged in unlawful acts and practices in providing remittances and bill-payment services as described below.

9. In 2010, EFTA, 15 U.S.C. § 1693 et seq., was amended by adding § 919 to create a comprehensive system of consumer protections for money sent by U.S. consumers to individuals and businesses in foreign countries. EFTA § 919, 15 U.S.C. § 1693o-1, includes a number of requirements related to remittance transfers, including, for example:
  - remittance-transfer providers must disclose the exchange rate, the amount to be received, and other information both before and at the time the consumer pays for the transfer, 15 U.S.C. § 1693o-1(a)(1) and (2);
  - consumers have certain rights regarding cancellation and refunds, 15 U.S.C. § 1693o-1(d);
  - remittance-transfer providers must investigate disputes and remedy errors regarding remittances, 15 U.S.C. § 1693o-1(d); and
  - remittance-transfer providers are liable for certain acts of their agents, 15 U.S.C. § 1693o-1(f).
10. The Bureau issued rules to implement these requirements, which became effective on October 28, 2013. These rules are known as the Remittance Transfer Rule. 12 C.F.R. pt. 1005.
11. As of October 28, 2013, the effective date of the Remittance Transfer Rule, Respondent was subject to the requirements of EFTA § 919 and the Remittance Transfer Rule.
12. Respondent was aware of the Remittance Transfer Rule and despite certain operational and other changes made to comply with the Remittance Transfer Rule, did not fully comply with certain rule requirements as specified in this Order.

#### **VIOLATION OF THE CFPA**



13. From October 28, 2013 until May 8, 2017, Respondent processed approximately 14.5 million remittances from consumers.
14. For nearly every one of these remittances, Respondent provided the consumer sending the remittance with a disclosure form containing the deceptive statement: that Respondent would not be responsible for errors made by payment agents.
15. Specifically, in the “terms and conditions” section of the disclosure that Respondent provided with each remittance, Respondent stated as follows:

We will take reasonable measures to carry out the transaction adequately, but Maxitransfers Corp. is not responsible for errors made by banks or payment agents, or for any other reasons out of our control.
16. Respondent used this statement in both its English and Spanish disclosures.
17. EFTA and the Remittance Transfer Rule specifically provide that remittance-transfer providers such as Respondent *are* responsible for errors (as defined by the Remittance Transfer Rule) by their agents.
18. EFTA § 919(f) states, in relevant part, “[a] remittance transfer provider shall be liable for any violation of this section by any agent, authorized delegate, or person affiliated with such provider.” 15 U.S.C. § 16930-1(f).
19. Section 1005.35 of the Remittance Transfer Rule, implementing § 919(f), states that “[a] remittance transfer provider is liable for any violation of this subpart by an agent when such agent acts for the provider.”
20. EFTA and the Remittance Transfer Rule provide the right for a consumer to notify a provider of an error, to have that error investigated, and, in certain

circumstances, for the consumer to receive a refund. 15 U.S.C. § 16930-1(d); 12 C.F.R. § 1005.33.

21. Section 1036(a)(1)(B) of the CFPA prohibits deceptive acts or practices. 12 U.S.C. § 5536(a)(1)(B).
22. Respondent's statement that it would not be responsible for errors made by its payment agents misled or was likely to mislead consumers acting reasonably under the circumstances because Respondent in fact was responsible for their errors under EFTA and the Remittance Transfer Rule.
23. Respondent's statement that it would not be responsible for errors made by its payment agents was material to consumers because the statement was likely to affect their decisions whether and how to exercise their right to assert errors under EFTA and the Remittance Rule.
24. Respondent's statement that it would not be responsible for errors made by its payment agents, as set forth above, constitutes a deceptive act or practice in violation of the CFPA. 12 U.S.C. §§ 5531, 5536(a)(1)(B).

#### **VIOLATIONS OF THE REMITTANCE TRANSFER RULE**

##### **Respondent failed to maintain error-resolution policies and procedures.**

25. Section 1005.33(g)(1) of the Remittance Transfer Rule requires a remittance-transfer provider to develop and maintain written policies and procedures that are designed to ensure compliance with the error-resolution requirements of the Remittance Transfer Rule.
26. For example, remittance-transfer providers are required to investigate promptly and determine whether an error occurred within 90 days of receiving a notice of

error. They are further required to provide to remittance senders a written explanation of the provider's findings and note the sender's right to request the documents on which the provider relied in making its determination if no error was found. 12 C.F.R. § 1005.33(c)(1) and (d)(1).

27. Respondent did not have any written policies and procedures addressing any requirements of the Remittance Transfer Rule from October 28, 2013 to November 2016.
28. In November 2016, Respondent developed a "CFPB Policy" that consisted of 1.5 pages of general Remittance Transfer Rule information copied directly from the Bureau's website.
29. The "CFPB Policy" document failed to meet the requirements of § 1005.33(g)(1). Among other things, the "CFPB Policy" did not address what constitutes an "error" under the Remittance Transfer Rule; what constitutes a notice of error from a consumer; what investigation is required; how investigation results should be provided to consumers; or the time limits for an investigation.
30. Accordingly, Respondent violated 12 C.F.R. § 1005.33(g)(1).

**Respondent failed to properly report  
the results of error investigations and failed to  
notify consumers of their rights after an investigation of error.**

31. Section 1005.33(c)(1) of the Remittance Transfer Rule requires a remittance-transfer provider to investigate promptly a notice of error from a sender and to determine whether an error occurred within 90 days of receiving the notice. Section 1005.33(c)(1) further requires remittance-transfer providers to "report the results to the sender, including notice of any remedies available for correcting



any error that the provider determines has occurred, within three business days after completing its investigation.”

32. Section 1005.33(d)(1) of the Remittance Transfer Rule requires a remittance-transfer provider to follow certain procedures if it determines that no error occurred or if a different error occurred than the error identified in the sender’s notice of error. Specifically, this provision requires the remittance-transfer provider to give a written explanation of the provider’s findings regarding the notice of error and to note the sender’s right to request the documents on which the remittance-transfer provider relied in making its determination.
33. From 2013 until 2017, Respondent violated § 1005.33(c)(1) & (d)(1).

**Respondent failed to use specified or substantially similar terms in its remittance disclosures.**

34. Section 1005.31(b)(1)(i) of the Remittance Transfer Rule requires a remittance-transfer provider to disclose the “amount that will be transferred to the designated recipient, in the currency in which the remittance transfer is funded, using the term ‘Transfer Amount’ or a substantially similar term.”
35. From 2013 until 2017, Respondent used the term “Dollars” instead of “Transfer Amount” or a substantially similar term.
36. Section 1005.31(b)(1)(vii) of the Remittance Transfer Rule requires the remittance-transfer provider to disclose “[t]he amount that will be received by the designated recipient, in the currency in which the funds will be received, using the term ‘Total to Recipient’ or a substantially similar term.”
37. From 2013 until 2017, Respondent used the term “Amount MXP (Mexican Pesos)” instead of “Total to Recipient” or a substantially similar term.



38. From 2013 to 2017, Respondent violated 12 C.F.R. § 1005.31(b)(1)(i) & (vii).

**Respondent failed to treat its  
international bill-pay services as remittances.**

39. In 2015, Respondent began to offer consumers international bill-pay services, facilitating the real-time transfer of funds from U.S. consumers to pay bills in foreign countries.
40. Until at least 2017, Respondent failed to treat its international bill-pay services as remittance transfers covered by EFTA and the Remittance Transfer Rule and did not provide consumers of these services with all of the consumer disclosures or protections these laws require.
41. From 2015 until 2017, Respondent violated EFTA and the Remittance Transfer Rule when providing international bill-pay services to consumers.

**ORDER**

**V**

**Conduct Provisions**

**IT IS ORDERED**, under §§ 1053 and 1055 of the CFPA, that:

42. Respondent, and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, are prohibited from misrepresenting, or assisting others in misrepresenting, expressly or impliedly, Respondent's liability for errors related to remittance transfers.
43. Respondent, and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in

connection with the provision of remittance transfers are prohibited from offering or providing international bill-payment services as remittance transfers without complying with EFTA and the Remittance Transfer Rule.

44. Respondent in connection with the provision of remittance transfers must:
- a. maintain policies and procedures that are reasonably designed to comply with the Remittance Transfer Rule;
  - b. maintain a compliance-management system that is reasonably designed to ensure that Respondent's operations comply with the Remittance Transfer Rule;
  - c. conduct training and oversight of all agents, employees, and service providers that is reasonably designed to ensure compliance with the Remittance Transfer Rule.
45. Within 30 days of the Effective Date, Respondent must submit to the Regional Director for review and non-objection a comprehensive written plan ("Compliance Plan") for ensuring compliance with the Remittance Transfer Rule. The Regional Director will have the discretion to make a determination of non-objection to the Compliance Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Compliance Plan, Respondent must make the revisions and resubmit the Compliance Plan to the Regional Director within 15 days. After receiving notification that the Regional Director has made a determination of non-objection to the Compliance Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan.

## **VI**

### **Role of the Board**

**IT IS FURTHER ORDERED** that:

46. The Board, or a committee thereof, must review all submissions required by this Consent Order prior to submission to the Bureau.
47. Although this Consent Order requires Respondent to submit certain documents for the review or non-objection by the Regional Director, the Board will have the ultimate responsibility for proper and sound management of Respondent and for ensuring that Respondent complies with Federal consumer financial law and this Consent Order.
48. In each instance in which this Consent Order requires the Board to ensure adherence to or perform certain obligations of Respondent, the Board must:
  - a. authorize whatever actions are necessary for Respondent to fully comply with the Consent Order;
  - b. require timely reporting by management to the Board on the status of compliance obligations; and
  - c. require timely and appropriate corrective action to remedy any material non-compliance with Board directives related to this Section.

## **VII**

### **Order to Pay Civil Money Penalty**

**IT IS FURTHER ORDERED** that:

49. Under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, and taking into account the

factors in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$500,000 to the Bureau.

50. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.
51. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPB, 12 U.S.C. § 5497(d).
52. Respondent must, for all purposes, treat the civil money penalty paid under this Consent Order as a penalty paid to the government. Regardless of how the Bureau ultimately uses those funds, Respondent may not:
  - a. claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
  - b. seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.
53. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action. If the court in any Related Consumer Action offsets or otherwise reduces the amount of compensatory monetary remedies



imposed against Respondent based on the civil money penalty paid in this action or based on any payment that the Bureau makes from the Civil Penalty Fund, Respondent must, within 30 days after entry of a final order granting such offset or reduction, notify the Bureau, and pay the amount of the offset or reduction to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

## **VIII**

### **Additional Monetary Provisions**

**IT IS FURTHER ORDERED** that:

54. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, will accrue on any outstanding amounts not paid from the date of default to the date of payment and will immediately become due and payable.
55. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law, and no part of the funds may be returned to Respondent.
56. Under 31 U.S.C. § 7701, Respondent, unless they have already done so, must furnish to the Bureau its taxpayer-identifying numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.
57. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondent must notify the Regional Director of the

final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid or are required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

## **IX**

### **Reporting Requirements**

**IT IS FURTHER ORDERED** that:

58. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.
59. Within 90 days of the Effective Date and again one year after the Effective Date, Respondent must submit to the Regional Director an accurate written compliance progress report ("Compliance Report") that has been approved by the Board, which, at a minimum:
  - a. lists each applicable paragraph and subparagraph of the Order and describes in detail the manner and form in which Respondent have complied with each such paragraph and subparagraph of the Consent

Order; and

- b. attaches a copy of each Order Acknowledgment obtained under Section X, unless previously submitted to the Bureau

**X**

**Order Distribution and Acknowledgment**

**IT IS FURTHER ORDERED** that:

- 60. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of their Board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.
- 61. For five years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section X, any future Board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who will have responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.
- 62. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. §§ 7001–7006, within 45 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

63. For purposes of Section X, the terms “service providers,” agents,” and “representatives” are not intended to include Respondent’s Independent Agent Locations or Payment Locations.

## **XI**

### **Recordkeeping**

**IT IS FURTHER ORDERED** that:

64. Respondent must create or, if already created, must retain for at least five years from the Effective Date the following business records: all documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau.
65. Respondent must retain the documents identified in Paragraph 64 for the duration of the Consent Order.
66. Respondent must make the documents identified in Paragraph 64 available to the Bureau upon the Bureau’s request.

## **XII**

### **Notices**

**IT IS FURTHER ORDERED** that:

67. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, “*In re* Maxitransfers Corporation Management Group, Inc., *et al.*, File No. 2019-BCFP-0008,” and send them by



overnight courier or first-class mail to the below address and contemporaneously by email to Enforcement\_Compliance@cfpb.gov:

Regional Director, Southeast Region  
Bureau of Consumer Financial Protection  
1700 G Street, N.W.  
Washington D.C. 20552.

### **XIII**

#### **Compliance Monitoring**

**IT IS FURTHER ORDERED** that:

68. Within 14 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested non-privileged information related to the requirements of this Consent Order, which must be made under penalty of perjury; provide sworn testimony related to the requirements of this Consent Order and Respondent's compliance with those requirements; or produce non-privileged documents related to the requirements of this Consent Order and Respondent's compliance with those requirements.
69. For purposes of this Section, the Bureau may communicate directly with Respondent, unless Respondent retains counsel related to these communications.
70. Respondent must permit Bureau representatives to interview, about the subject and requirements of this Consent Order and Respondent's compliance with those requirements, any employee or other person affiliated with Respondent who has agreed to such an interview. The person interviewed may have counsel present.
71. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

#### **XIV**

##### **Modifications to Non-Material Requirements**

**IT IS FURTHER ORDERED** that:

72. Respondent may seek a modification to non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Regional Director.
73. The Regional Director may, in his or her discretion, modify any non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) if he or she determines good cause justifies the modification. Any such modification by the Regional Director must be in writing.

#### **XV**

##### **Administrative Provisions**

**IT IS FURTHER ORDERED** that:

74. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondent, except as described in Paragraph 75.
75. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order

in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.

76. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.
77. This Consent Order will terminate five years from the Effective Date. This Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.
78. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
79. Should Respondent seek to transfer or assign all or part of its operations subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.
80. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c). In

connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.

81. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.
82. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent, its Board, officers, or employees to violate any law, rule, or regulation.

\* \* \*

IT IS SO ORDERED, this 22<sup>nd</sup> day of August, 2019.



Kathleen L. Kraninger  
Director  
Bureau of Consumer Financial Protection