

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

	)	ORDER TO SHOW CAUSE
STC and LAM INC., Stella Lam, and Huy Lam;	)	
Reference No. 0806694	)	

TO: STC and Lam Inc.  
3821 S. Main Road,  
Vineland, New Jersey 08360

Stella Lam  
3821 S. Main Road,  
Vineland, New Jersey 08360

Huy Lam  
3821 S. Main Road,  
Vineland, New Jersey 08360

THIS MATTER having been opened by the Commissioner of the New Jersey Department of Banking and Insurance (“Commissioner”), upon information that STC and Lam Inc., Stella Lam, and Huy Lam (collectively, “Respondents”) may have violated various provisions of the New Jersey Money Transmitters Act, N.J.S.A. 17:15C-1 to -27 (“Act”); and

WHEREAS, STC and Lam Inc. is a New Jersey corporation with the principal place of business at 3821 S. Main Road, Vineland, New Jersey 08360; and

WHEREAS, Stella Lam and Huy Lam are the sole owners, managers, and corporate officers of STC and Lam Inc.; and

WHEREAS, in September 2008, despite forming a corporation, Stella Lam and Huy Lam applied to the Department for a foreign money transmitter license as general partners of a partnership; and

WHEREAS, from July 30, 2009 until June 4, 2021, Respondents were licensed by the Department of Banking and Insurance (“Department”) as a foreign money transmitter, license reference number 0806694; and

WHEREAS, Respondents are subject to the provisions of the Act; and

WHEREAS, pursuant to N.J.S.A. 17:15C-10, each licensee, shall make, keep and preserve business books, accounts and other records for a period of three years; and

WHEREAS, pursuant to N.J.S.A. 17:15C-11, the Commissioner may investigate and examine any licensee or other person the Commissioner deems necessary to determine compliance with this act and the orders, rules and regulations issued hereunder; and

WHEREAS, pursuant to N.J.S.A. 17:15C-16(a), the Commissioner may suspend or revoke a licensee's license if the Commissioner finds that the licensee has made a material misstatement or suppressed or withheld information on the application for a license or any document required to be filed with the Commissioner; and

WHEREAS, pursuant to N.J.S.A. 17:15C-16(e), the Commissioner may suspend or revoke a licensee's license if the Commissioner finds that the licensee is conducting its business in an unsafe or unsound manner; and

WHEREAS, pursuant to N.J.S.A. 17:15C-16(i), the Commissioner may suspend or revoke a licensee's license if the Commissioner finds that the licensee refuses to permit the Commissioner to make any examination or investigation authorized by the Act; and

WHEREAS, pursuant to N.J.S.A. 17:15C-16(i), the Commissioner may suspend or revoke a licensee's license if the Commissioner finds that the licensee has willfully violated any provision of the Financial Crimes Enforcement Network (“FinCEN”) regulations, 31 C.F.R. 1010.100 to 1060.800; and

WHEREAS, pursuant to N.J.S.A. 17:15C-22, if, after notice and hearing, the Commissioner finds that a person has violated any provision of the Act, the Commissioner may order the person to pay the Commissioner a civil penalty in an amount not to exceed \$5,000 for each violation; and

WHEREAS, pursuant to 31 C.F.R. 1010.100(ff)(5), the term "money services business" includes, among others, any person engaged in money transmitter business, whether or not on a regular basis or as an organized business concern; and

WHEREAS, pursuant to 31 C.F.R. 1022.380(a)(1), each money services business (whether or not licensed as a money services business by any State) must register with FinCEN; and

### **COUNT 1**

IT APPEARING that Respondents were first licensed with the Department as a foreign money transmitter in July 2009; and

IT FURTHER APPEARING that in June 2013, the Department attempted to conduct examination of Respondents; and

IT FURTHER APPEARING that in furtherance of the examination, the Department requested that Respondents produce their business books and records for the period from January 2007 through December 2012; and

IT FURTHER APPEARING that Respondents failed to produce any requested books and records; and

IT FURTHER APPEARING that by failing to comply with the 2013 examination, Respondents violated N.J.S.A. 17:15C-16(i); and

## **COUNT 2**

IT FURTHER APPEARING that in October 2018, the Department attempted to conduct another examination of Respondents; and

IT FURTHER APPEARING that in furtherance of the examination, the Department requested that Respondents produce their business books and records for the period from January 2013 through October 2018; and

IT FURTHER APPEARING that Respondents failed to produce any requested books and records; and

IT FURTHER APPEARING that by failing to comply with the 2018 examination, Respondents violated N.J.S.A. 17:15C-16(i); and

## **COUNT 3**

IT FURTHER APPEARING that on or about April 30, 2021, Respondents submitted to the Department a license surrender form and Affidavit of Business Activity form; and

IT FURTHER APPEARING that on the Affidavit of Business Activity form, Respondents falsely stated that Respondents did not engage in business activity regulated pursuant to the Act during the period from July 30, 2009 and December 2019; and

IT FURTHER APPEARING that, in fact, Respondents conducted money transmitter activity from at least July 2009 to at least December 2015, as evidenced in the annual reports filed by Respondents with the Department; and

IT FURTHER APPEARING that by submitting a false Affidavit of Business Activity form, Respondents violated N.J.S.A. 17:15C-16(a); and

**COUNT 4**

IT FURTHER APPEARING that despite operating a money transmitter business since July 2009, Respondents never registered with FinCEN as a money services business, as required by 31 C.F.R. 1022.380(a)(1); and

IT FURTHER APPEARING that by failing with FinCEN as a money services business, Respondents conducted business in an unsafe or unsound manner, in violation of N.J.S.A. 17:15C-16(e), and willfully violated FinCEN regulations, in violation of N.J.S.A. 17:15C-16(k); and

NOW, THEREFORE, IT IS on this 11 day of May 2022,

ORDERED that, pursuant to N.J.S.A. 17:1-15(j), Respondents appear and show cause why their surrendered foreign money transmitter licensed shall not be revoked, pursuant to N.J.S.A. 17:15C-16; and

IT IS FURTHER ORDERED that Respondents appear and show cause why the Commissioner should not assess a civil penalty of not more than \$5,000.00, jointly and severally, for each violation of the Act, pursuant to N.J.S.A. 17:15C-22; and

IT IS FURTHER ORDERED that Respondents have the right to request an administrative hearing, to be represented by counsel or other qualified representative, at their own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence or argument if a hearing is requested; and

IT IS FURTHER ORDERED that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Respondents and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Paulette Sibblies-Flagg, OCF Investigations Unit, Department of Banking and Insurance, P.O. Box 040, Trenton,

New Jersey 08625 or by electronic mail to [paulette.sibblies-flagg@dobi.nj.gov](mailto:paulette.sibblies-flagg@dobi.nj.gov). A copy of the request for a hearing shall also be sent to Deputy Attorney General Garen Gazaryan at P.O. Box 117, Trenton, New Jersey 08625 or by electronic mail to [garen.gazaryan@law.njoag.gov](mailto:garen.gazaryan@law.njoag.gov). The request shall contain the following:

- A. Respondents' full names, addresses, and daytime telephone numbers;
- B. A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge. Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated;
- C. A specific admission or denial of each fact alleged in this Order to Show Cause. Where Respondents have no specific knowledge regarding a fact alleged in the Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- D. A statement requesting a hearing.



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Marlene Caride  
Commissioner