

STATE OF NEW JERSEY



DEPARTMENT OF BANKING AND INSURANCE DIVISION OF BANKING

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF BANKING

ORDER NO.:E04-0242

IN THE MATTER OF:	:	
CASHPOINT NETWORK SERVICES, INC.;	:	<u>Administrative Action</u>
SAMUEL R. BREVDEH, PRESIDENT, AND	:	
BERNIE K. BREVDEH, SECRETARY	:	NOTICE OF ORDER
	:	SUSPENDING LICENSE
Reference No. 9908897-C22.	:	

THIS MATTER having been opened by the Department of Banking and Insurance, ("Department"), on information that CASHPOINT NETWORK SERVICES, INC. ("Cashpoint"), currently licensed as a money transmitter pursuant to the New Jersey Money Transmitter Act ("the Act") N.J.S.A. 17:15C-1 et seq., with Samuel R. Brevdeh, President, and owner of 50% of the outstanding stock, and Bernie K. Brevdeh, Secretary, and owner of 50% of the outstanding stock, violated certain provisions of the Act; and

WHEREAS on April 21, 2004 the New York State Department of Banking issued an order of Suspension temporarily suspending the license of Cashpoint due to its failure to pay approximately \$13 million due and owing a New York State Chartered Bank and \$20 to \$25 million due and owing other creditors; and

WHEREAS the Commonwealth PA issued a Suspension Order and Order to Increase Bond on April 23, 2004; and

WHEREAS, Cashpoint held a meeting on April 22, 2004, in New York, New York to address concerns raised by entities to which Cashpoint was to remit money and the Department understands that this meeting did not resolve those outstanding issues; and

WHEREAS, the Department has information that an Involuntary Chapter 7 petition was filed in the Southern District of New York for Cashpoint, on April 22, 2004, by three of Cashpoint's largest creditors; and

WHEREAS, the Act, N.J.S.A. 17:15C-5, requires Cashpoint to maintain \$25,000 net worth for each location where money transmission occurs and for each of Cashpoint's authorized delegates located in this state or a maximum net worth of \$1,000,000; and

WHEREAS, Cashpoint provided a listing of 112 Authorized delegates operating in this state as of December 31, 2003 which would require Cashpoint to have at all times a maximum net worth amount of \$1,000,000; and

WHEREAS, the Act, N.J.S.A. 17:15C-16c, provides that the license may be suspended or revoked if the licensee's net worth falls below the maximum statutory amount and the licensee fails to take steps to remedy the deficiency;

NOW, THEREFORE, IT IS on this ____th day of April 2004,

ORDERED that Cashpoint's license to operate as a money transmitter in this State is suspended; and

IT IS FURTHER ORDERED that the suspension shall apply to Cashpoint's key shareholders Samuel R. and Bernie K. Brevdeh; and

IT IS FURTHER ORDERED that Cashpoint shall cease to engage in the business of a money transmitter through its authorized delegates in this State; and

IT IS FURTHER ORDERED that, the licensee takes the necessary steps to remedy the net worth deficiency within ten (10) days following receipt of this order; and

IT IS FURTHER ORDERED THAT, the licensee has the right to request a hearing, if the request is not received within ten (10) days following the date of service of this Order, the right to a hearing on this matter shall be deemed to have been waived by Cashpoint, this matter shall be concluded and the Order shall become final and immediately effective; a hearing may be requested by mailing said request, certified mail, to:

Leona B. Joyner,
Chief of Investigations, Enforcement Bureau
New Jersey Department of Banking & Insurance
P.O. Box 040
Trenton, New Jersey 08625

The request shall contain:

- a. The objector's name and address;
- b. A reference to this Order and a concise statement of facts constituting each ground or defense;
- c. A specific admission, denial or explanation of each fact alleged in this Order, or if you are without such knowledge thereof, a statement to that effect; allegations of this Order not thus answered shall be deemed to have been admitted; and
- d. A statement requesting a hearing.

AND IT IS SO ORDERED

H. Robert Tillman
Director, Division of Banking