

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Diamond Money Order Company, LLC
d/b/a DMC Money Order Company,
License Reference No. 1300494.

) ORDER TO SHOW CAUSE
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TO: Diamond Money Order Company, LLC
d/b/a DMC Money Order Company
4034 Veteran's Highway, Suite C
Levittown, PA 19057

THIS MATTER having been opened by the Commissioner of the New Jersey Department of Banking and Insurance ("Commissioner"), upon information that Diamond Money Order Company, LLC d/b/a DMC Money Order Company ("Respondent") may have violated various provisions of the New Jersey Money Transmitters Act, N.J.S.A. 17:15C-1 to -27 ("Act") and the implementing regulations N.J.A.C. 3:27-1.1 to -8.1; and

WHEREAS, Respondent is a corporation with the principal place of business at 4034 Veteran's Highway, Suite C, Levittown, Pennsylvania 19057; and

WHEREAS, Respondent was licensed as a money transmitter, license reference number of 1300494, until the license expired on June 20, 2023; and

WHEREAS, Respondent is subject to the provisions of the Act; and

WHEREAS, pursuant to N.J.S.A. 17:15C-5(a), each money transmitter shall at all times have a net worth of not less than \$100,000.00; 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(g), the Commissioner may suspend or revoke a licensee's license if the Commissioner finds that the licensee has suspended payment of its obligations or has admitted in writing its inability to pay its debts as they become due; and

WHEREAS, pursuant to N.J.S.A. 17:15C-22(a), the Commissioner may order a civil penalty of up to \$5,000 for each violation of the Act. Each violation shall constitute a separate offense and the penalty shall be in addition to a suspension or revocation of a license; and

WHEREAS, pursuant to N.J.S.A. 17:15C-6(a), each licensee shall at all times maintain a surety bond in a form satisfactory to the Commissioner; and

WHEREAS, pursuant to N.J.A.C. 3:27-4.1(b), a surety bond shall run to the State for the benefit of any person injured by a wrongful act, default, or misrepresentation of the licensee to secure the faithful performance of the obligations of the licensee with respect to the receipt, handling, transmission, and payment of money in connection with the sale and issuance of payment instruments, transmission of money, or both and for the benefit of the Department for unpaid examination bills, unpaid penalties and any other unpaid obligation of the money transmitter to the Department, including, but not limited to, returned items submitted to the Department in payment of bills, penalties, charges or fees; and

COUNT 1

IT APPEARING that Respondent has been licensed as a money transmitter in New Jersey from August 22, 2013, and until June 30, 2023, when its license expired; and

IT FURTHER APPEARING that, as a licensed money transmitter, Respondent transmitted money for New Jersey customers within the United States and also sold money orders to New Jersey consumers; and

IT FURTHER APPEARING that Respondent discontinued its business operation in January 2023; and

IT FURTHER APPEARING that on January 27, 2023, Respondent notified the New Jersey Department of Banking and Insurance (“Department”) that Respondent did not have sufficient funds to satisfy the outstanding money orders that it had previously sold to consumers and that Respondent stopped selling new money orders to consumers; and

IT FURTHER APPEARING that upon further investigation by the Department, Respondent disclosed that from February 2020 to January 2023, Respondent sold 234 money orders in the total amount of \$27,408.39 which Respondent no longer had funds to satisfy; and

IT FURTHER APPEARING that, at all relevant times, Respondent maintained a surety bond in the amount of \$100,000.00, as required by N.J.S.A. 17:15C-6(a) and N.J.A.C. 3:27-4.1(b); and

IT FURTHER APPEARING that Respondent’s surety bond is issued for the benefit of any person injured by wrongful acts, default, or misrepresentation of Respondent, as required by N.J.A.C. 3:27-4.1(b); and

IT FURTHER APPEARING that, to date, the Department received fifteen complaints from New Jersey consumers related to Respondent’s money orders being returned for non-sufficient funds; and

IT FURTHER APPEARING that the underwriter of the Respondent’s surety bond had fully reimbursed the fifteen complaining New Jersey consumers; and

IT FURTHER APPEARING that by suspending its payment obligations and by failing to satisfy the outstanding money orders that it had previously sold to consumers, Respondent violated N.J.S.A. 17:15C-5(a), -16(e), and -16(g); and

NOW, THEREFORE, IT IS on this 31st day of July 2024,

ORDERED that Respondent appear and show cause why its expired money transmitter license, reference number 1300494, should not be revoked, pursuant to N.J.S.A. 17:15C-16(e) and -16(g); and

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

IT IS FURTHER ORDERED that Respondent appear and show cause why the Commissioner should not order restitution to any affected consumer, pursuant to N.J.S.A. 17:15C-6(a) and N.J.A.C. 3:27-4.1(b); and

IT IS FURTHER ORDERED that Respondent has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at its 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 Respondent and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by emailing the request to Paulette Sibblies-Flagg at paulette.sibblies-flagg@dobi.nj.gov and mailing a copy to Paulette Sibblies-Flagg, OCF Investigations Unit, Department of Banking and Insurance, P.O. Box 040, Trenton, New Jersey 08625. A copy of the request for a hearing shall also be emailed to Deputy Attorney

General Garen Gazaryan at garen.gazaryan@law.njoag.gov and a copy mailed to P.O. Box 117, Trenton, New Jersey 08625. The request shall contain the following:

- A. Respondents' full name, address, and daytime telephone number;
- 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.



Justin Zimmerman
Acting Commissioner