

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Shiv Krupa Cash Services, LLC and Biren
Patel, Reference No. 1200073-C08

CONSENT ORDER

TO: Biren Patel and Shiv Krupa Cash Services
c/o Scott McClain, Esq.
Merle Brown & Nakamura, P.C.
90 Broad Street, Suite 2201
New York, NY 10004

THIS MATTER, having been opened by the Commissioner of Banking and Insurance ("Commissioner"), State of New Jersey, alleging that Biren Patel ("Patel") and Shiv Krupa Cash Services, LLC ("Shiv Krupa") (collectively, "Respondents"), may have violated various provisions of the Check Cashers Regulatory Act of 1993, N.J.S.A. 17:15A-30 to -52 ("Act"); and

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

WHEREAS, pursuant to N.J.S.A. 17:15A-43 and N.J.A.C. 3:24-4.1, no check casher shall request fees for cashing a check greater than that provided by the Act and regulation; and

WHEREAS, pursuant to N.J.S.A. 17:15A-47(g), no check casher may violate any provision of the Act or regulations promulgated by the Act; and

WHEREAS, pursuant to N.J.S.A. 17:15-44(n), a check casher shall supervise employees engaged in the operation of the check cashing business to ensure the business is

conducted lawfully and pursuant to the provisions of the Act and any order, rule, or regulation made or issued pursuant to the Act; and

WHEREAS, pursuant to N.J.S.A. 17:15A-48(a)(1), the Commissioner may revoke or suspend a license of a check casher found to have violated any provision of the Act or any order, rule, or regulation made or issued pursuant to the Act or has violated any other law in connection with the operation of the check cashing business; and

WHEREAS, pursuant to N.J.S.A. 17:15A-48(a)(3), the Commissioner may revoke or suspend a license of a check casher found to have withheld information or made a material misstatement in any submission to the Department of Banking and Insurance; and

WHEREAS, pursuant to N.J.S.A. 17:15A-48(a)(7), the Commissioner may revoke or suspend a license of a check casher found to have demonstrated unworthiness, incompetence, bad faith or dishonesty in transacting business or otherwise; and

WHEREAS, pursuant to N.J.S.A. 17:15A-48(a)(8), the Commissioner may revoke or suspend a license of a check casher that has engaged in any other conduct which would be deemed by the Commissioner to deny, revoke, or suspend a license; and

WHEREAS, pursuant to N.J.S.A. 17:15A-49(b)(2), any person who violates or causes to be violated any provision of the Act or any order, rule or regulation made or issued pursuant to the Act shall be liable for a penalty, in addition to all other penalties or forfeitures imposed by this or any other law, of not more than \$5,000.00 for each violation. Any person who shall aid or abet a violation shall be equally liable for such a penalty as may be imposed upon a principal violator; and

WHEREAS, the Commissioner issued Order to Show Cause OCF22-32 ("OTSC OCF23-12") on December 14, 2022, alleging violations of New Jersey check cashing laws by Respondents as set forth in the following allegations:

FACTUAL ALLEGATIONS

IT APPEARING, that Shiv Krupa is a New Jersey limited liability company with its principal place of business at 694 North Pearl Street, Bridgeton, New Jersey 08302; and

IT FURTHER APPEARING, that Patel is the sole owner of Shiv Krupa; and

IT FURTHER APPEARING, that after conducting an examination of Shiv Krupa, the Commissioner alleged violations of the Act in a Report of Examination; and

IT FURTHER APPEARING, that Shiv Krupa then executed a Consent Order to Impose A Penalty ("Consent Order") with the Commissioner on April 22, 2019; and

IT FURTHER APPEARING, that Shiv Krupa made a payment of a penalty of \$2,250.00 pursuant to the Consent Order to resolve an allegation that the Shiv Krupa commingled funds from other businesses with the bank account used for its check cashing business; and

IT FURTHER APPEARING, that the Consent Order did not resolve all alleged violations discovered during the Report of Examination; and

IT FURTHER APPEARING, the examination of Shiv Krupa also revealed that Shiv Krupa overcharged check cashing fees to its customers in 1,894 separate instances; and

IT FURTHER APPEARING, that following the examination, the Report of Examination ordered Shiv Krupa to refund all customers overcharged check cashing fees; and

IT FURTHER APPEARING, that Shiv Krupa failed to refund all of the customers overcharged; and

IT FURTHER APPEARING, that Patel, on behalf of Shiv Krupa, submitted spreadsheets to the Department on April 24, 2019

omitting names of Respondents' customers required to receive refunds in order to appear as if Respondents complied with the order when Shiv Krupa actually failed to comply with the order in the Report of Examination; and

COUNT ONE

IT FURTHER APPEARING, that Shiv Krupa overcharged customers check cashing fees in 1,894 separate instances in violation of N.J.S.A. 17:15A-43; N.J.S.A. 17:15A-44(n); N.J.S.A. 17:15A-47(g); N.J.S.A. 17:15A-48(a)(7); N.J.S.A. 17:15A-48(a)(8); and N.J.A.C. 3:24-4.1; and

IT FURTHER APPEARING, that each of the 1,894 instances where Shiv Krupa overcharged a check cashing fee constitute a separate violation pursuant to N.J.S.A. 17:15A-49(b)(2); and

COUNT TWO

IT FURTHER APPEARING, by providing spreadsheets with customers' names that were owed refunds omitted in order to appear as if Respondents complied with the order in the Report of Examination when Shiv Krupa actually failed to comply with the order in the Report of Examination, Respondents withheld information or made a material misstatement in any submission to the Department of Banking and Insurance, also demonstrated unworthiness, incompetence, bad faith or dishonesty in transacting business or otherwise, and engaged in conduct which would be deemed by the Commissioner to be grounds to deny, revoke or suspend a license, in violation of N.J.S.A. 17:15A-44(n); N.J.S.A. 17:15A-47(g); N.J.S.A. 17:15A-48(a)(3); N.J.S.A. 17:15A-48(a)(7); and N.J.S.A. 17:15A-48(a)(8); and

WHEREAS, Respondents were given notice of the aforesaid allegations and an opportunity to contest them at a hearing; and

WHEREAS, on or about January 25, 2023, Respondents filed an Answer and Request for Hearing, in which Respondents denied the allegations, and this matter was transmitted to the Office of Administrative Law as a contested matter; and

WHEREAS, Respondents admit they overcharged customers in violation of N.J.S.A. 17:15A-49; and

WHEREAS, cause does exist under N.J.S.A. 17:15A-49 for the imposition of a civil penalty for the aforementioned violations of the check cashing laws of this State; and

WHEREAS, Respondents have waived their right to a hearing on the aforementioned violation in OTSC OCF22-32; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing on the aforementioned violation; and

NOW, THEREFORE, IT IS on this 27th day of November, 2024:

ORDERED AND AGREED, that Respondents shall pay a total of \$25,000.00 to the Department of Banking and Insurance for violating the Act; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check, or money order made payable to the "State of New Jersey, General Treasury," which shall be paid upon execution of this Consent Order by Respondents; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order, together with the fine payment of \$25,000.00, shall be remitted to:

William E. Vaughan
Deputy Attorney General
Banking and Insurance Section
R.J. Hughes Justice Complex
25 Market Street
P.O. Box 117
Trenton, New Jersey 08625-117

; and

IT IS FURTHER ORDERED AND AGREED, that, by December 1, 2024, pursuant to N.J.S.A. 17:15A-49(c), Respondents reimburse all customers overcharged a check cashing fee; and

IT IS FURTHER ORDERED AND AGREED, that, if a customer cannot be located for a refund of the amount owed, Respondents shall submit the money owed to the New Jersey Unclaimed Property Administration by December 1, 2024; and

IT IS FURTHER ORDERED AND AGREED, that Respondents shall submit proof of reimbursement to Deputy Attorney General William E. Vaughan, Banking and Insurance Section, R.J. Hughes Justice Complex, 25 Market Street, P.O. Box 117, Trenton, NJ 08625-0117 or by electronic mail to william.vaughan@law.njoag.gov by January 2, 2025; and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein.


Justin Zimmerman
Acting Commissioner

Consented to as to Form, Content, and Entry:

By:  Date: 11-15-2024
Biren Patel

By:  Date: 11-15-2024
Biren Patel
On behalf of Shiv Krupa Cash Services, LLC

By:  Date: 11/15/24
Scott McClain, Esq.
Attorney for Respondents

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Commissioner

By: /s/ William E. Vaughan / nk Date: 11/27/24
William E. Vaughan
Deputy Attorney General