

ORDER NO. OCF26-01

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.

) FINAL ORDER
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TO: Diamond Money Order Company, LLC
d/b/a DMC Money Order Company
In care of: Michael Blicharski
221 Kensington Road
Garden City, NY 11530

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

WHEREAS, on July 31, 2024, the Commissioner issued Order to Show Cause OCF24-13 alleging violations by Respondent as follows:

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

WHEREAS, as set forth in the Certification of Garen Gazaryan, Deputy Attorney General, attached hereto as Exhibit A, Respondent was given notice of the aforesaid charges and an opportunity to contest the charges at a hearing pursuant to the Order to Show Cause, which was duly served upon Respondent by certified and regular mail; and

WHEREAS, Respondent failed to provide written responses to the charges contained in the Order to Show Cause, and therefore Respondent has waived its right to a hearing to contest these charges and the charges are deemed admitted; and

WHEREAS, in Kimmelman v. Henkels & McCoy, Inc., 108 N.J. 123, 137-139 (1987), the Supreme Court established seven factors to be considered in determining the imposition of civil fines in administrative proceedings ("Kimmelman factors"); and

WHEREAS, the seven Kimmelman factors are as follows: (1) the good or bad faith of the defendant; (2) defendant's ability to pay a civil fine; (3) the amount of profits obtained from the illegal activity; (4) the injury to the public; (5) the duration of the misconduct; (6) the existence of criminal or treble damages actions; and (7) the past violations of defendant; and

WHEREAS, the Kimmelman factors apply to this matter as follows: (1) Respondent showed extreme bad faith by suspending its payment obligations on 234 money orders and by failing to satisfy the outstanding money orders that it had previously sold to consumers; (2) Respondent has not provided any evidence of inability to pay a civil fine; (3) Respondent profited from its violations by retaining \$27,408.39 on 234 money orders which it sold to consumers and failed to satisfy; (4) Respondent's acts directly injured the affected consumers; (5) Respondent's violations occurred from February 2020 to January 2023; (6) there are no

criminal or treble damages actions resulting from Respondent's misconduct; and (7) Respondent had no past violations with the Department; and

NOW, THEREFORE, IT IS on this 20th day of January, 2026,

ORDERED, that the charges contained in the Order to Show Cause are deemed admitted by Respondent; and

IT IS FURTHER ORDERED that, pursuant to N.J.S.A. 17:15C-16(e) and -16(g), Respondent's expired money transmitter license, reference number 1300494, is hereby **REVOKED** effective upon the execution of this Final Order by the Commissioner; and

IT IS FURTHER ORDERED that, based on the Kimmelman analysis, and pursuant to N.J.S.A. 17:11C-70(b)(4), Respondent is assessed and shall pay a civil penalty of \$1,170,000 to the Commissioner for 234 violations of the Act; and

IT IS FURTHER ORDERED that Respondent shall remit the payment of \$1,170,000 to the Commissioner of Banking and Insurance, State of New Jersey, P.O. Box 040, Trenton, New Jersey 08625, Attention: Paulette Sibblies-Flagg, OCF Enforcement Unit, by certified check, cashier's check or money order made payable to the "State of New Jersey, General Treasury," within ten days from the date of service of this Order; and

IT IS FURTHER ORDERED that the surety company, Platte River Insurance Company, shall continue to reimburse all affected consumers upon submission of claims, up to the surety bond limit, and the Department shall continue facilitating the submission of such claims to the surety company, 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 in the event full payment of the penalty and costs is not made, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid penalties, in accordance with the Penalty Enforcement Law, N.J.S.A. 2A:58-10 to -12; and

IT IS FURTHER ORDERED, that the civil penalty in this Final Order is imposed pursuant to the police powers of the State of New Jersey for the enforcement of the law and the protection of the public health, safety and welfare, and is not intended to constitute debts which may be limited or discharged in a bankruptcy proceeding; and

IT IS FURTHER ORDERED, that the provisions of this Final Order represent a final agency decision and constitute a final resolution of the allegations contained in the Order to Show Cause.



Justin Zimmerman
Commissioner