

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Money Transmitter License
3 of:

No. 13F-BD008-BNK

CONSENT ORDER

4 **OMNEX GROUP, INC. DBA GIROMEX
5 AND DARREN MANELSKI, PRESIDENT
6 AND CEO**

5 580 Sylvan Avenue, Suite LL-A
6 Englewood Cliffs, NJ 07632

7 Petitioners.

8 On November 19, 2012, the Arizona Department of Financial Institutions (“Department”)
9 issued an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order,
10 alleging that Petitioners had violated Arizona law. Wishing to resolve this matter in lieu of an
11 administrative hearing, and without admitting liability, Petitioners consent to the following Findings
12 of Fact and Conclusions of Law, and consent to the entry of the following Order.

13 **FINDINGS OF FACT**

14 1. Petitioner Omnex Group, Inc. (“Omnex”), a California corporation, doing business as
15 Giromex, is authorized to transact business in Arizona as a money transmitter, license number
16 MT 0904767, within the meaning of A.R.S. § 6-1201, *et seq.* The nature of Omnex’s business is that
17 of a money transmitter within, the meaning of A.R.S. § 6-1201(11).

18 2. Petitioner Darren Manelski (“Mr. Manelski”) is the President and CEO of Omnex, and is
19 authorized to transact business in Arizona as a money transmitter within the meaning of A.R.S.
20 § 6-1201, *et seq.*

21 3. Omnex and Mr. Manelski (collectively “Petitioners”) are not exempt from licensure as a
22 money transmitter within the meaning of A.R.S. § 6-1203.

23 4. An examination of Omnex, conducted by the Department from September 4, 2012
24 through September 5, 2012, and of its authorized delegates during September 2012, revealed that
25 Petitioners:

26 a. Failed to provide their authorized delegates with operating policies and procedures

1 sufficient to permit compliance by the delegate with the provisions of Title 13,
2 Chapter 23 and Title 6, Chapter 12 and all applicable administrative rules;
3 specifically:

- 4 i. Petitioners' policies and procedures fail to address the requirement to obtain the
5 customer's signature for transactions of one thousand dollars (\$1,000.00) or
6 more;
- 7 ii. Petitioners' Agent Training Manual-US, dated October 10, 2011, at page 14,
8 contains no reference to customer signature; and
- 9 iii. Petitioners failed to correct this violation cited in four previous consecutive
10 examinations;
- 11 b. Failed to keep adequate records of customers' identities in either electronic or
12 hardcopy form as required by Title 6, Chapter 12 for each transaction involving the
13 transmission of money in an amount of one thousand dollars (\$1,000.00) or more,
14 specifically:
- 15 i. Petitioners and their authorized delegates failed to record the customers'
16 specific current occupation in electronic or hardcopy form for eight hundred
17 eighty one (881) transactions sent of \$1,000 or more, constituting 17.60 percent
18 of transactions sent of \$1,000 or more;
- 19 ii. Petitioners and their authorized delegates failed to obtain any required
20 information in electronic or hardcopy form for any transaction received in
21 Arizona of \$1,000 or more;
- 22 iii. Petitioners and their authorized delegates failed to record the customers' current
23 residential address for thirty three (33) transactions sent of \$1,000 or more; and
- 24 iv. Petitioners failed to correct this violation cited in three previous examinations.
- 25 c. Failed to update their policies and procedures to include Arizona customer
26 identification requirements for transactions of one thousand dollars (\$1,000.00) or

1 more pursuant to A.R.S. § 6-1208(B), to promote compliance with Title 13, Chapter
2 23 and Title 6, Chapter 12, including the identification of the provider and the
3 material and instruction provided; specifically:

4 i. Petitioners have no record of instruction that promotes compliance with Title
5 13, Chapter 23 and Title 6, Chapter 12, including identification of the provider
6 and the material and instruction provided at either the licensee level or
7 authorized delegate level; specifically

8 1. Although Petitioners have internal training, they are still required to be
9 trained in all laws that promote compliance with Title 13, Chapter 23 and
10 Title 6, Chapter 12; and

11 2. Petitioners' Compliance Training Seminar, at slide 17 of 30, states that
12 "Arizona has special requirements for transfer amounts \$1,000 - \$2,999,
13 but fails to include the specific requirements referred to; and

14 ii. Petitioners failed to update their Corporate Policies and Procedures to include
15 all requirements cited in A.R.S. § 1241(E); specifically:

16 1. Petitioners' Corporate Policies and Procedures, dated January 12, 2012,
17 makes no reference to the requirement of obtaining the customer's
18 signature for transactions of \$1,000 or more; and

19 iii. Petitioners failed to correct this violation cited in four previous (consecutive)
20 examinations.

21 5. Based upon the above findings, the Department issued and served upon Petitioners an
22 Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order ("Cease
23 and Desist Order") on November 19, 2012.

24 6. On December 19, 2012, Petitioners filed a Request For Hearing to appeal the Cease and
25 Desist Order.

26 7. These Findings of Fact shall also serve as Conclusions of Law.

1 CONCLUSIONS OF LAW

2 1. Pursuant to A.R.S. § 6-1201, *et seq*, the Superintendent has the authority and duty to
3 regulate all persons engaged in the money transmitter business and with the enforcement of statutes,
4 rules, and regulations relating to money transmitters.

5 2. By the conduct, set forth above, Petitioners violated the following:

6 a. A.R.S. § 6-1208(B) by failing to provide their authorized delegates with operating
7 policies and procedures sufficient to permit compliance by the authorized delegate
8 with the provisions of Title 13, Chapter 23 and Title 6, Chapter 12 and all applicable
9 administrative rules;

10 b. A.R.S. § 6-1241(E) by failing to keep adequate records of customers' identities in
11 either electronic or hardcopy form as required by Title 6, Chapter 12 for each
12 transaction involving the transmission of money in an amount of one thousand dollars
13 (\$1,000.00) or more,

14 c. A.R.S. § 6-1241(G) by failing to update their policies and procedures to include
15 Arizona customer identification requirements for transactions of one thousand dollars
16 (\$1,000.00) or more pursuant to A.R.S. § 6-1208(B), to promote compliance with
17 Title 13, Chapter 23 and Title 6, Chapter 12, including the identification of the
18 provider and the material and instruction provided;

19 3. Neither Omnex nor Mr. Manelski meet any of the exemptions to the licensing
20 requirements set forth in A.R.S. § 6-1203.

21 4. The violations, set forth above, constitute grounds for: (1) the issuance of an order
22 pursuant to A.R.S. § 6-137 directing Petitioners to cease and desist from the violative conduct and to
23 take the appropriate affirmative actions, within a reasonable period of time prescribed by the
24 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and
25 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the
26 suspension or revocation of Petitioners' license pursuant to A.R.S. § 6-1210; and (4) an order or any

1 other remedy necessary or proper for the enforcement of statutes and rules regulating money
2 transmitters pursuant to A.R.S. §§ 6-123 and 6-131.

3 **ORDER**

4 1. Omnex and Mr. Manelski shall immediately stop the violations set forth in the Findings
5 of Fact and Conclusions of Law. Omnex and Mr. Manelski:

- 6 a. Shall provide their authorized delegates with operating policies and procedures
7 sufficient to permit compliance by the delegate with the provisions of Title 13,
8 Chapter 23 and Title 6, Chapter 12 and all applicable administrative rules;
- 9 b. Shall keep adequate records of customers' identities in either electronic or hardcopy
10 form as required by Title 6, Chapter 12 for each transaction involving the
11 transmission of money in an amount of one thousand dollars (\$1,000.00) or more,
- 12 c. Shall update their policies and procedures to include Arizona customer identification
13 requirements for transactions of one thousand dollars (\$1,000.00) or more pursuant to
14 A.R.S. § 6-1208(B), to promote compliance with Title 13, Chapter 23 and Title 6,
15 Chapter 12, including the identification of the provider and the material and
16 instruction provided;

17 2. Pursuant to A.R.S. § 6-132, Petitioners' violations of the aforementioned statutes are
18 grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for
19 each day.

20 3. Omnex and Mr. Manelski shall immediately pay to the Department a civil money penalty
21 in the amount of **seventy five thousand dollars (\$75,000.00)**. which shall be paid according to the
22 following schedule:

- 23 a. **Twenty five thousand dollars (\$25,000.00)** shall be paid to the Department upon
24 execution of this Consent Order;
- 25 b. **Twenty five thousand dollars (\$25,000.00)** shall be paid to the Department on
26 July 15, 2013; and

1 c. **Twenty five thousand dollars (\$25,000.00)** shall be paid to the Department on
2 October 15, 2013.

3 4. Omnex and Mr. Manelski are jointly and severally liable for payment of the civil money
4 penalty.

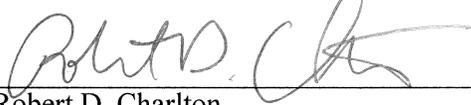
5 5. Petitioners shall comply with all Arizona statutes and rules regulating Arizona money
6 transmitters (A.R.S. § 6-1201, *et seq.*).

7 6. The provisions of this Order shall be binding upon Petitioners, their employees, agents,
8 and other persons participating in the conduct of the affairs of Petitioners.

9 7. This Order shall become effective upon service, and shall remain effective and
10 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,
11 or set aside.

12 SO ORDERED this 7 day of March , 2013.

13 Lauren W. Kingry
14 Superintendent of Financial Institutions

15 By: 
16 Robert D. Charlton
17 Assistant Superintendent of Financial Institutions

18 **CONSENT TO ENTRY OF ORDER**

19 1. Petitioners acknowledge that they have been served with a copy of the foregoing
20 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the
21 same, are aware of their right to an administrative hearing in this matter, and have waived the same.

22 2. Petitioners admit the jurisdiction of the Superintendent and consent to the entry of the
23 foregoing Findings of Fact, Conclusions of Law, and Order.

24 3. Petitioners state that no promise of any kind or nature has been made to induce them to
25 consent to the entry of this Order, and that they have done so voluntarily.

26 4. Petitioners agree to immediately cease from engaging in the violative conduct set forth in
the Findings of Fact and Conclusions of Law.

1 AND COPY MAILED SAME DATE by
2 Certified Mail, Return Receipt Requested, to:

3 Darren Manelski, President and CEO
4 Omnex Group, Inc. dba Giromex
5 580 Sylvan Avenue, Suite LL-A
6 Englewood Cliffs, NJ 07632
7 Petitioners

8 Omar Shahin
9 Chief Compliance Officer
10 Omnex Group, Inc. dba Giromex
11 580 Sylvan Avenue, Suite LL-A
12 Englewood Cliffs, NJ 07632

13 Gerald Popovsky, Esq.
14 mbgs@aol.com
15 Attorney for Petitioners

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17 # 3060805v2

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