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BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

OF THE STATE OF CALIFORNIA

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| In the Matter of:<br><br>THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,<br><br>Complainant.<br><br>v.<br><br>SIGUE CORPORATION; GROUPEX FINANCIAL CORPORATION; GUILLERMO de la VIÑA,<br><br>Respondents. | MTA License Nos. 2062 and 2019<br><br>FINAL CONSENT ORDER |

The Commissioner of Financial Protection and Innovation (Commissioner) and Sigue Corporation (Sigue), GroupEx Financial Corporation (GroupEx), and Guillermo de la Viña (de la Viña) (collectively, Respondents, and, individually, a Respondent), who are collectively referred to herein as the Parties, enter into this Final Consent Order (Consent Order) with respect to the following facts:

## I.

## Recitals

A. The Commissioner is authorized to administer and enforce the provisions of the Money Transmission Act (MTA) (Cal. Fin. Code §§ 2000–2176).[1]

B. At all relevant times, Sigue is and was a Delaware corporation licensed as a money transmitter under the authority of the MTA beginning on January 14, 2002, MTA license number 2062, with a principal business address of 13190 Telfair Avenue, Sylmar, California, with a Nationwide Multistate Licensing System (NMLS) identifier 915912.

C. Sigue offered money orders and remittances to the public.

D. Guillermo de la Viña is and was Sigue's Chief Executive Officer (CEO) and Chairman.

E. At all relevant times, GroupEx Financial Corporation (GroupEx) is and was a wholly owned subsidiary of Sigue and is licensed as a money transmitter under the authority of the MTA, MTA license number 2019, with a principal business address of 1800 West Loop Suite 1860, Houston, Texas, with a NMLS identifier 927516.

F. de la Viña is and was GroupEx's CEO and Chairman.

G. Respondents have fully cooperated with the Commissioner throughout the course of her investigations into the matters covered under this Consent Order.

H. On March 22, 2024, the Commissioner entered into an interim Consent Order with Sigue, finding that Sigue had experienced significant deterioration in its financial condition in late 2023 and early 2024. At the time, Sigue represented that in late January of 2024, it had ceased operations and had stopped accepting new money transmission obligations.

[1] All citations herein are to the Financial Code unless otherwise noted.

I. Sigue represented that it had significant outstanding liabilities including outstanding payment instrument liabilities and outstanding money transmission liabilities (Outstanding Transmission Liabilities), without sufficient unencumbered tangible assets to satisfy the obligations.

J. Given its financial condition, Sigue represented that it was in the process of voluntarily winding down the corporation.

K. Under the interim Consent Order, Sigue agreed to cease and desist from engaging in the business of money transmission in California, other than satisfying Outstanding Transmission Liabilities.

L. The Commissioner finds that:

a. Sigue failed to pay certain Outstanding Transmission Liabilities as they became due and payable in violation of Fin. Code § 2101;

b. Sigue failed to meet its minimum tangible net worth in violation of Fin. Code § 2040; and

c. Sigue failed to maintain eligible securities in the amount required under Fin. Code § 2081.

The Commissioner finds that entering into this Consent Order is in the public interest and consistent with the purposes fairly intended by the policies and provisions of the MTA.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the Parties agree as follows:

**II.**

**<u>Terms and Conditions</u>**

1. <u>Purpose.</u> This Consent Order resolves the issues before the Commissioner in a manner that avoids the expense of a hearing and other possible court proceedings, protects consumers, is in the public interest, and is consistent with the purposes, policies and provisions of the MTA.

2. <u>Finality of Consent Order.</u> Respondents agree to comply with this Consent Order and stipulate that this Consent Order and the Orders herein are deemed final.

3. Order to Discontinue Unsafe or Injurious Practices. Sigue hereby agrees, and the Commissioner orders, that in accordance with Fin. Code § 2148, Sigue will immediately discontinue the conduct discussed herein.

4. Penalty. Sigue shall pay a penalty of $300,000.00 for the violations alleged herein no later than 10 days after the Effective Date (as defined in paragraph 29) of this Consent Order. The penalty must be made payable in the form of a cashier's check or Automated Clearing House deposit transmitted to the attention of Accounting – Litigation, at the Department of Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Notice of the payment must be sent to Danielle A. Stoumbos, Senior Counsel, Enforcement Division, via electronic mail at Danielle.Stoumbos@dfpi.ca.gov.

The penalty is stayed for three years from the Effective Date of this Consent Order contingent on Respondents' compliance with paragraphs 8 through 11 of this Consent Order. If after three years from the Effective Date of this Consent Order, Respondents have fully complied with paragraphs 8 through 11, the penalty is waived.

5. Sigue's MTA License Surrender. Sigue hereby requests to surrender its MTA license. Sigue shall provide all the information the Commissioner seeks to process Sigue's request. The Commissioner will then issue a separate order specifying the time at which the surrender became effective and the conditions upon which the Department accepts the surrender of the license.

6. GroupEx's MTA License Surrender. GroupEx hereby requests to surrender its MTA license. GroupEx shall provide all the information the Commissioner seeks to process GroupEx's request. The Commissioner will then issue a separate order specifying the time at which the surrender became effective and the conditions upon which the Department accepts the surrender of the license.

7. Control Person. Guillermo de la Viña shall not act, directly or indirectly, as an agent or employee, director, manager, officer, owner, control person or qualified individual of any entity engaged in money transmission activity subject to licensure or regulation by the Commissioner, or any entity in control of any such entity, until such time that the Commissioner determines, in the Commissioner's sole discretion, that Guillermo de la Viña demonstrates the requisite financial

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responsibility, qualification, and character to participate in such money transmission activity within the state. If de la Viña desires to work in this capacity in the future, de la Viña may submit a written request to the Commissioner, and the Commissioner will consider the facts and evidence submitted therewith in deciding his request.

8. Books and Records. Respondents agree to preserve books and records in accordance with Fin. Code § 2124 and shall notify the Commissioner if there is any change to the location or storage of their books and records within ten (10) calendar days of said change.

9. Access to Books and Records. Respondents, and any third party in custody of the same, shall promptly make any and all books and records available to the Commissioner upon request as required under Fin. Code § 2120. Respondents shall timely and fully respond to any and all requests for information and documentation.

10. Surety Bonds. Respondents acknowledge the rights of the Commissioner and persons who may still be owed funds as part of the Outstanding Transmission Liabilities under Sigue's bonds. Sigue and de la Viña will provide any and all information in their possession, custody, or control, for the period required in Fin. Code § 2124, to: (1) customers who need or reasonably request the information to file a bond claim; or (2) the Commissioner.

11. Public Notice. Sigue and de la Viña agree to continue to maintain Sigue's public website, located at https://sigue.com for a period of at least two years from the Effective Date of the Consent Order. The website shall, at a minimum, include information in English and Spanish, directing customers who may still be owed funds as part of the Outstanding Transmission Liabilities that they may contact the Commissioner to file a complaint, and list the Commissioner's website, phone number, and main address.

12. Waiver of Notice and Hearing Rights. Respondents acknowledge that the Commissioner is ready, willing, and able to proceed with the filing of an administrative action on the charges contained in this Consent Order. Respondents hereby waive the right to any hearings, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the MTA, the California Administrative Procedures Act, the California Code of Civil Procedure, or any other provision of law. Respondents further expressly waive any requirement for the filing of an

Accusation pursuant to Gov't. Code § 11415.60, subdivision (b). By waiving such rights, Respondents fully consent to this Consent Order becoming final.

13. Full and Final Settlement. The parties hereby acknowledge and agree that this Consent Order is intended to constitute a full, final, and complete resolution of the violations described herein, and that no further proceedings or actions will be brought by the Commissioner in connection with the allegations in the Consent Order, the interim Consent Order, or the Commissioner's investigation into the matters resolved under this Consent Order, excepting therefrom any proceeding to enforce compliance with the terms of this Consent Order.

14. Information Willfully Withheld or Misrepresented. Notwithstanding paragraph 19, this Consent Order may be revoked, and the Commissioner may pursue any and all remedies available under law against Respondents if the Commissioner discovers that the Respondents knowingly or willfully withheld or misrepresented material information.

15. Future Actions by Commissioner. If a Respondent fails to comply with the terms of the Consent Order, the Commissioner may institute proceedings against that Respondent for any and all violations otherwise resolved under this Consent Order. The Commissioner reserves the right to bring any future actions against Respondents, or any of their partners, owners, officers, shareholders, directors, employees, or successors for any and all unknown violations of the MTA.

16. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's ability to assist any other government agency (city, county, state or federal) with any prosecution, administrative, civil or criminal action brought by that agency against Sigue, GroupEx, or de la Viña, or any other person based on any of the activities alleged in this matter or otherwise.

17. Headings. The headings to the paragraphs of this Consent Order are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof.

18. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in interest.

19. Reliance. Each of the parties represents, warrants, and agrees that in executing this Consent Order, he, she or it has relied solely on the statements set forth herein and the advice of its

own legal counsel, if represented. Each of the parties further represents, warrants, and agrees that in executing this Consent Order he, she or it has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation, or disclosure of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

20. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of this Consent Order will be valid or binding unless it is in writing and signed by each of the parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any other provision. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Consent Order by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

21. Full Integration. This Consent Order is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenants between the parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the parties, their respective representatives, and any other person or entity, with respect to the subject matter covered hereby.

22. Governing Law. This Consent Order will be governed by and construed in accordance with California law. Each of the parties hereto consents to the jurisdiction of such court and thereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

23. Effect Upon Future Proceedings. If any Respondent applies for any license, permit or qualification under the Commissioner's current or future jurisdiction, or is the subject of any future action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

24. Voluntary Agreement. Respondents hereby enter into this Consent Order voluntarily and without coercion and acknowledges that no promises, threats, or assurances have been made by the Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent and acknowledge that he, she or it is executing this Consent Order completely voluntarily and without any duress or undue influence of any kind from any source.

25. Counterparts. This Consent Order may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall together constitute a single document.

26. Notice. Any notice required under this Consent Order shall be provided to each party at the following addresses:

To Sigue Corporation:

Jedd Bellman
Orrick, Herrington & Sutcliffe LLP
2100 Pennsylvania Avenue NW
Washington, D.C. 20037
JBellman@orrick.com

To GroupEx Financial Corporation:

Jedd Bellman
Orrick, Herrington & Sutcliffe LLP
2100 Pennsylvania Avenue NW
Washington, D.C. 20037
JBellman@orrick.com

To Guillermo de la Viña:

Guillermo de la Viña
c/o Jedd Bellman
Orrick, Herrington & Sutcliffe LLP
2100 Pennsylvania Avenue NW
Washington, D.C. 20037
JBellman@orrick.com

To the Commissioner:

Danielle Stoumbos, Senior Counsel
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
Danielle.Stoumbos@dfpi.ca.gov

27. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

28. Public Record. Respondents hereby acknowledge that the Consent Order is and will be a matter of public record.

29. Effective Date. This Consent Order shall become final and effective when signed by all parties and delivered by the Commissioner's agent via e-mail to Sigue, GroupEx, and de la Viña's counsel, Jedd Bellman at the following email address: jbellman@orrick.com.

30. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order and undertake the obligations set forth herein.

Dated: January 27, 2025

KHALIL MOHSENI
Acting Commissioner of Financial Protection and Innovation

By________________________________
Mary Ann Smith
Deputy Commissioner
Enforcement Division

Dated: January 22, 2025

SIGUE CORPORATION

By: ________________________________
Guillermo de la Viña
Chief Executive Officer and Chairman

Dated: January 22, 2025

GROUPEX FINANCIAL CORPORATION

By: ________________________________
Guillermo de la Viña
Chief Executive Officer and Chairman

Dated: January 22, 2025

By: ________________________________
Guillermo de la Viña
An individual

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