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STATE OF CALIFORNIA
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

In the Matter of)	
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LL PAY U.S., LLC,)	ORDER
)	(Fin. Code, § 2148)
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Respondent)	
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Pursuant to Financial Code section 2148, the Commissioner of Financial Protection and Innovation (“Commissioner”) hereby orders:

1. Within ninety (90) days of the date of this Order, LL Pay U.S., LLC (“Respondent”) shall provide to the Commissioner a copy of the new Board¹-approved policies and procedures for reporting reportable business, operational, and management changes and adverse issues to regulators. Respondent shall also provide to the Commissioner a copy of the minutes showing the Board’s review and approval of these policies and procedures.

2. Within ninety (90) days of the date of this Order, Respondent shall develop, adopt, and implement an outstanding transmission liability (“OTL”) recording and extinguishment methodology in accordance with the Financial Code. Respondent shall develop, adopt, and submit a written document (the “OTL Recording and Extinguishment Methodology”) describing the processes and controls by which Respondent will ensure accurate reporting of the OTL across all relevant reports. The OTL Recording and Extinguishment Methodology should state what control procedures will ensure that accounting records reconcile to the customized remittance software reports. Respondent shall also submit to the Commissioner evidence that demonstrates that the processes and controls described in the OTL Recording and Extinguishment Methodology have been implemented.

¹ “Board” refers to Respondent’s Board of Directors.

3. Within ninety (90) days of the date of this Order, Respondent shall provide a copy of the most recent BSA/AML² Risk Assessment and a copy of the report of the independent third-party review of that Risk Assessment.

4. Within one hundred twenty (120) days of the date of this Order, Respondent shall provide to the Commissioner a copy of the report of the most recent independent review of its BSA/AML Program, covering the BSA/AML Risk Assessment and other Pillars of the BSA/AML Program, performed by an independent third-party reviewer, and a copy of the minutes showing the Board’s review and approval of that report.

5. Within ninety (90) days of the date of this Order, Respondent shall develop, maintain, and submit a master list to the Commissioner containing all Respondent’s adopted policies that are required as a matter of law, regulation, or formal written agreement with the Department. The master list shall include relevant details such as owner, version, review date, and approval date.

6. Within ninety (90) days of the date of this Order, Respondent shall provide to the Commissioner a copy of its information technology (“IT”) and cybersecurity gap analysis assessment(s).

7. Within ninety (90) days of the date of this Order, Respondent shall provide to the Commissioner a copy of the updated LianLian Intercompany Services Agreement and the Board-approved and/or Board-adopted programs applicable to Respondent’s cybersecurity program that address the IT and cybersecurity deficiencies outlined in the report of examination dated February 26, 2024. Respondent shall also provide to the Commissioner a copy of the minutes showing the Board’s review and approval of the updated cybersecurity program.

8. Within ninety (90) days of the date of this Order, Respondent shall provide to the Commissioner written documentation from Citibank, for the Citibank accounts ending with *7287, *0321, and *3621, demonstrating that the accounts have been updated to have at least two signers.

9. Within ninety (90) days of the date of this Order, Respondent shall provide to the Commissioner a copy of the most recently completed quarterly OFAC³ screening report/results performed on Respondent’s officers, directors, and employees.

² “BSA” refers to the Bank Secrecy Act, and “AML” refers to Anti-Money Laundering.

³ “OFAC” refers to the Office of Foreign Asset Control.

1 10. Within ninety (90) days of the date of this Order, Respondent shall update the
2 remediation tracker (i.e., management action plan) to include the independent review findings and
3 other items outlined in the report of examination.

4 11. Within ninety (90) days of the date of this Order, Respondent shall establish or
5 enhance the following formal Board-approved policies and procedures to address the deficiencies for
6 each that are identified in the report of examination:

7 a. Enhance the AML Program Policy to include an independent review every 12
8 to 18 months; the escalation of unaddressed findings and remediations that extend beyond the target
9 completion date provided in the management action plan; and the establishment of a policy review
10 process to be conducted by the Board on a regular schedule.

11 b. Enhance the BSA/AML Risk Assessment Matrix for ensuring inclusion of all
12 existing products and services and establishing a policy review process to be conducted by the Board
13 on a regular schedule.

14 c. Enhance the OFAC policies and procedures for ensuring sanction list
15 revisions are implemented at the time of the OFAC update to the Specially Designated Nationals list
16 and OFAC screening on officers, directors, and employees are performed at defined, periodic
17 intervals.

18 d. Enhance the Management Action Plan (i.e., remediation tracker) for escalating
19 unaddressed findings and remediations that extend beyond the target completion date.

20 e. Establish policies and procedures for the maintenance of surety bond
21 requirements in each state such as the use of checklists and the implementation of a review process
22 for coverage adequacy.

23 f. Establish policies and procedures for the tracking and ongoing maintenance of
24 the established and adopted policies and procedures (i.e., a “master list”).

25 Respondent shall provide, with the first quarterly progress report (required by Paragraph 17
26 below) that occurs after the end of the 90-day period, a copy of the completed policies required by
27 Paragraphs 11(a) through 11(f) and a copy of the minutes showing the Board’s most review and
28 approval for each.

1 12. Within one hundred twenty (120) days of the date of this Order, Respondent shall
2 fully implement its automated transaction monitoring system, Unit 21. Respondent must also
3 develop, implement, and maintain policies and procedures for creating and modifying the transaction
4 monitoring rules at the licensee level, not those of Lianlian Hong Kong Company Limited or another
5 affiliate or related party.

6 13. Within one hundred twenty (120) days of the date of this Order, Respondent shall
7 develop, implement, and maintain a transaction data “maker-checker” system to its processes which
8 includes a non-English character translation mechanism for ensuring transaction data correctness and
9 integrity in its transaction database. Respondent shall provide a written description and timeline of
10 the modifications to its transaction data processes, including the addition of a “maker-checker”
11 mechanism to correct translation errors, that are necessary to generate an accurate and reliable
12 transaction database.

13 14. Within one hundred twenty (120) days of the date of this Order, Respondent shall
14 develop and implement any changes to its software system that are necessary to correct all the
15 transaction records containing the erroneous refund date of “November 29, 2023.” Respondent shall
16 also provide a detailed written explanation of the code modifications designed to prevent future data
17 corruption occurrences when updating its software code (i.e., QuickSight).

18 15. Within one hundred twenty (120) days of the date of this Order, Respondent shall
19 develop, implement, and maintain system software that is integrated with Respondent’s accounting
20 system and can accurately and reliably identify the types of transactions to be recorded on the
21 ADTL⁴ reports from the money transmission database

22 16. On or before the twenty-first (21) day of each month, Respondent shall submit to the
23 Commissioner a company-prepared consolidated balance sheet, income statement, and average daily
24 outstanding transmission liability reports as of the previous month, in accordance with Condition 8
25 of its Conditions of Approval.

26 17. Within thirty (30) days of the end of each calendar year quarter, Respondent shall
27 submit a written progress report to the Commissioner detailing the remedial actions taken to comply

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⁴ “ADTL” refers to Average Daily Transmission Liability.

1 with this Order. The submission must also include a copy of the minutes from the quarterly Board
2 meeting for the calendar year quarter covered in the written progress report.

3 This Order is effective immediately as of the date set forth below. Violation of any provision
4 of this Order will be deemed to be conducting business in an unsafe manner and will subject
5 Respondent to further regulatory enforcement action. The Commissioner reserves the right to amend,
6 revoke, or rescind this Order, in whole or in part.

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8 Dated: December __, 2024

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10 ROBERT VENCHIARUTTI
11 Deputy Commissioner
12 Department of Financial Protection and Innovation
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