

STATE OF CALIFORNIA

DEPARTMENT OF BUSINESS OVERSIGHT

In the Matter of)
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 UNIDOS FINANCIAL SERVICES, INC.)
)
)
 Respondent.)
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 _____)

FINAL ORDER
(Financial Code section 580)

Pursuant to Financial Code section 580, the Commissioner of Business Oversight (Commissioner) hereby orders:

1. Within thirty (30) days of the date of this Order, Unidos Financial Services, Inc. shall maintain tangible shareholders' equity (TSE) of not less than \$3.0 million at all times. The TSE amount of \$3.0 million shall not include an aggregate extension of credit to affiliated parties, related parties, and/or control persons of more than \$1 million, which is not directly related to money transmission activity of the licensee, without the commissioner's prior written approval. All such extensions of credit and/or receivables to related parties that are not directly for money transmission activities undertaken by the licensee, shall have appropriate documentations that includes, but is not limited to:
 - a) Stated purpose of the advance of funds
 - b) Repayment terms, including interest and principal
 - c) Repayment sources
 - d) Collateral
 - e) Board approval

2. Within ninety (90) days of the date of this Order, Respondent shall correct all Anti-Money Laundering compliance program violations and deficiencies noted in the report of examination of April 13, 2015.

3. Within forty-five (45) days of the date of this Order, Respondent shall implement procedures to comply with FinCEN Interpretive Release 2004-1. Additionally, Respondent shall identify Tempo Financial U.S. Corporation and Unidos Envios de Dinero S. de R.L. de C.V. as foreign correspondents and provide evidence satisfactory to the Commissioner that due diligence has been conducted on both companies.
4. Within thirty (30) days of the date of this Order, Respondent shall correct the parameters set in the White Wings platform, as discussed in the report of examination dated April 13, 2015, to detect names from the Specially Designated Nationals list.
5. Within thirty (30) days of the date of this Order, all California agents providing money transmissions on behalf of the Respondent shall cease depositing money transmission funds in a Tempo Financial U.S. Corporation bank account. All California agents shall deposit money transmission funds to a bank account owned and controlled by the Respondent.
6. Within forty-five (45) days of the date of this Order, Respondent shall resolve all inconsistencies between the Unidos Interface and White Wings money transmission platforms and report the correct amounts of transmission liabilities on any given day.
7. Within forty-five (45) days of the date of this Order, Respondent shall correct the inconsistency between the outstanding transmission liabilities reported on the financial statements and the supporting documentation. Going forward, the Respondent shall implement procedures and have the capability to produce supporting documentation the balance of outstanding transmission liabilities agree with the balance reported on the financial statements.
8. Within forty-five (45) days of the date of this Order, Respondent shall produce reports for all outstanding agent receivables in a consistent format and report agent receivables grouped by day. Each report shall reconcile with the general ledger and all financial reporting documents.
9. Within thirty (30) days of the date of this Order, Respondent shall ensure the correct sections of the California Financial Code are referenced on all California receipts.
10. Within thirty (30) days of the date of this Order, Respondent shall ensure the California consumer complaint notice is prominently posted on the premises of each agent location to comply with California Financial Code section 2105(a).

11. Within thirty (30) days of the date of this Order, Respondent shall comply at all times with California Financial Code section 2040(e) limiting the aggregate value of the Respondent's accounts receivable to any one person, or that person's affiliates to 35 percent of the Respondent's tangible shareholders' equity without the advanced written approval of the commissioner. Additionally, whenever such amount equals or exceeds 20 percent of the Respondent's tangible shareholders' equity, the Respondent shall maintain records evidencing such amount and any security or other source of payment for the amount owed, and such other records as the commissioner may require by order or regulation.
12. Within thirty (30) days of the date of this Order, Respondent shall comply with California Financial Code section 2043. The Respondent shall provide training materials to any newly appointed agent no later than one month following the appointment of that agent and to retain support all agents have been provided training materials on recognizing elder or dependent adult financial abuse.
13. Within thirty (30) days of the date of this Order, Respondent shall implement measures to promptly respond to and submit all documentation requests from this Department and comply with California Financial Code section 2120(b).
14. Within thirty (30) days of the date of this Order, Respondent shall produce records in English within seven days' notice from this Department, if maintained in a language other than English to comply with California Financial Code section 2124(e).
15. By January 15, 2016, Respondent shall have completed the accounting system migration from NetSuite to Great Plains. All accounting records of the Respondent shall be maintained on the Great Plains accounting system.
16. Within thirty (30) days of the effective date of this Order, Respondent shall engage an outside CPA firm, which is acceptable to the commissioner and seek scope input from the commissioner, to conduct a review of its financial statements as of June 30, 2015. The CPA will directly provide a summary of its findings to the commissioner within thirty (30) days of the effective date of this Order.
17. By January 15, 2016, Respondent shall have completed the implementation of the data translator to read all data from the two operating systems (money transmitter platforms), Unidos Interface and White Wings, and convert the data into one common database that populates the Great Plains software.
18. Effective June 1, 2015, and until further notice, the Respondent shall on or before the twenty first (21) day of each month, submit to the Commissioner a

company-prepared balance sheet, income statement, and average daily outstanding transmission activity report as of the end of the previous month.

19. Within thirty (30) days of the end of each quarter, Respondent shall furnish a written progress report to the Commissioner. The report shall set forth the following details:

- (a) Actions taken to comply with each section of this Order;
- (b) The results of those actions; and
- (c) A description of actions remaining to be accomplished in order to achieve full compliance with each section of this Order.

This Order is effective immediately and replaces the prior Memorandum of Understanding that was issued on January 6, 2014. Violation of any provision of this Order will be deemed to be conducting business in an unsafe manner and will subject the Respondent to further regulatory enforcement action. The Commissioner reserves the right to amend, revoke or rescind this Order, in whole or in part.

Dated: October 30, 2015.

_____/s/_____
JAN LYNN OWEN
Commissioner of Business Oversight