

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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In the Matter of

**FIROZ PATEL,  
FERHAN PATEL,  
MH PILLARS, INC. D/B/A PAYZA,  
OBOPAY, INC., and  
MH PILLARS, LTD.**

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**ORDER TO CEASE AND DESIST**

WHEREAS, the New York State Department of Financial Services (the “Department”) has determined that Firoz Patel, Ferhan Patel, MH Pillars, Inc. d/b/a Payza (“Payza”), Obopay, Inc. (“Obopay”) and MH Pillars, Ltd. (collectively, the “Persons”), transmitted money in an amount in excess of \$3 million for, or on behalf of, individuals residing or located in New York State;

WHEREAS, the Department has concluded that the Persons have engaged in unlicensed money transmission, by operating as transmitters of money without a license, in violation of Section 641 of the New York Banking Law (the “Banking Law”);

NOW, THEREFORE, it is hereby ordered pursuant to Section 301 of the New York Financial Services Law (the “Financial Services Law”) that the Persons, and their successors and assigns, shall immediately CEASE AND DESIST from engaging in money transmission in New York State unless and until the Persons apply for and receive a license from the Department (if the requirements are met).

**BACKGROUND**

1. Based on information received, the Department has determined that Firoz Patel and Ferhan Patel owned, controlled, managed, supervised and directed the unlicensed money

transmission business of Payza, Obopay and MH Pillars, Ltd.

2. Based on information received, the Department has determined that the Persons transmitted more than \$3,303,462 for, or on behalf of, persons residing or located in New York State and received fees in excess of \$121,918.

3. Neither Firoz Patel, Ferhan Patel, Payza, Obopay nor MH Pillars Ltd. received a license as a transmitter of money from the Superintendent of Financial Services of the State of New York (the "Superintendent"), as required by Section 641 of the Banking Law.

### Relevant Statutes

4. Pursuant to Section 10 of the Banking Law, "[i]t is hereby declared to be the policy of the state of New York that the business of all banking organizations shall be supervised and regulated through the department of financial services in such manner as to insure the safe and sound conduct of such business, to conserve their assets, to prevent hoarding of money, to eliminate unsound and destructive competition among such banking organizations and thus to maintain public confidence in such business and protect the public interest..."

5. Pursuant to Section 14(1) of the Banking Law, "[f]or the purpose of effectuating the policy declared in section ten...the superintendent shall have the power to make, alter and amend orders, rules and regulations not inconsistent with law."

6. Pursuant to Section 641 of the Banking Law, "no person shall engage in the business of selling or issuing checks, or engage in the business of receiving money for transmission or transmitting the same, without a license therefor obtained from the superintendent."

7. Pursuant to Section 650(2)(a) of the Banking Law, any person who engages in money transmission "without a license therefor obtained from the superintendent . . . shall be

guilty of a Class A misdemeanor.”

8. Pursuant to Section 650(2)(b) of the Banking Law, any person who engages in money transmission in excess of certain amounts “shall be guilty of a class E felony.”

9. Pursuant to Section 201(b)(2) of the Financial Services Law, “[t]he superintendent shall take such actions as the superintendent believes necessary to ensure the continued solvency, safety, soundness and prudent conduct of the providers of financial products and services.”

10. Pursuant to Section 201(b)(4) of the Financial Services Law, “[t]he superintendent shall take such actions as the superintendent believes necessary to protect users of financial products and services from financially impaired or insolvent providers of such services.”

11. Pursuant to Section 201(b)(6) of the Financial Services Law, “[t]he superintendent shall take such actions as the superintendent believes necessary to eliminate financial fraud, other criminal abuse and unethical conduct in the industry.”

12. Pursuant to Section 202(a) of the Financial Services Law, “[t]he superintendent shall possess the rights, powers, and duties in connection with financial services and protection in this state, expressed or reasonably implied by this chapter or any other applicable law of this state.”

13. Pursuant to Section 301(c) of the Financial Services Law, the Superintendent “shall have the power to protect users of financial products and services, including: (1) taking such actions as the superintendent deems necessary to educate and protect users of financial products and services.”

14. Pursuant to Section 309(a) of the Financial Services Law, “[t]he superintendent may maintain and prosecute an action against any person subject to this chapter, the insurance

law or the banking law, or the person's officers, directors, trustees or agents, for the purpose of obtaining an injunction restraining such person or persons from doing any acts in violation of the provisions of this chapter, the insurance law or the banking law.”

### **Violation**

15. By engaging in money transmission for, or on behalf of individuals residing or located in New York State, the Persons have engaged in unlicensed money transmission in violation of Section 641 of the Banking Law.

### **CEASE AND DESIST**

After taking into consideration the findings of fact and conclusion of law herein, it is hereby:

ORDERED that FIROZ PATEL, FERHAN PATEL, PAYZA, OBOPAY and MH PILLARS, LTD., individually, and any and all of their employees, independent contractors, or agents operating on their behalf, and their successors or assigns (collectively, the “Respondents”), shall immediately cease engaging in the activities of a money transmitter in New York State, pursuant to Sections 10, 14(1) and 641 of the Banking Law and Sections 201(b)(2), 201(b)(4), 201(b)(6), 202(a), 301(c), and 309(a) of the Financial Services Law.

ORDERED that each of the Respondents shall immediately cease engaging in the business of selling or issuing checks, or engaging in the business of receiving money for transmission or transmitting same for, or on behalf of, any individuals residing or located in New York State.

**BY ORDER AND DIRECTION OF THE SUPERINTENDENT.**

Date: October 24, 2018



Maria T. Vullo  
Superintendent of Financial Services